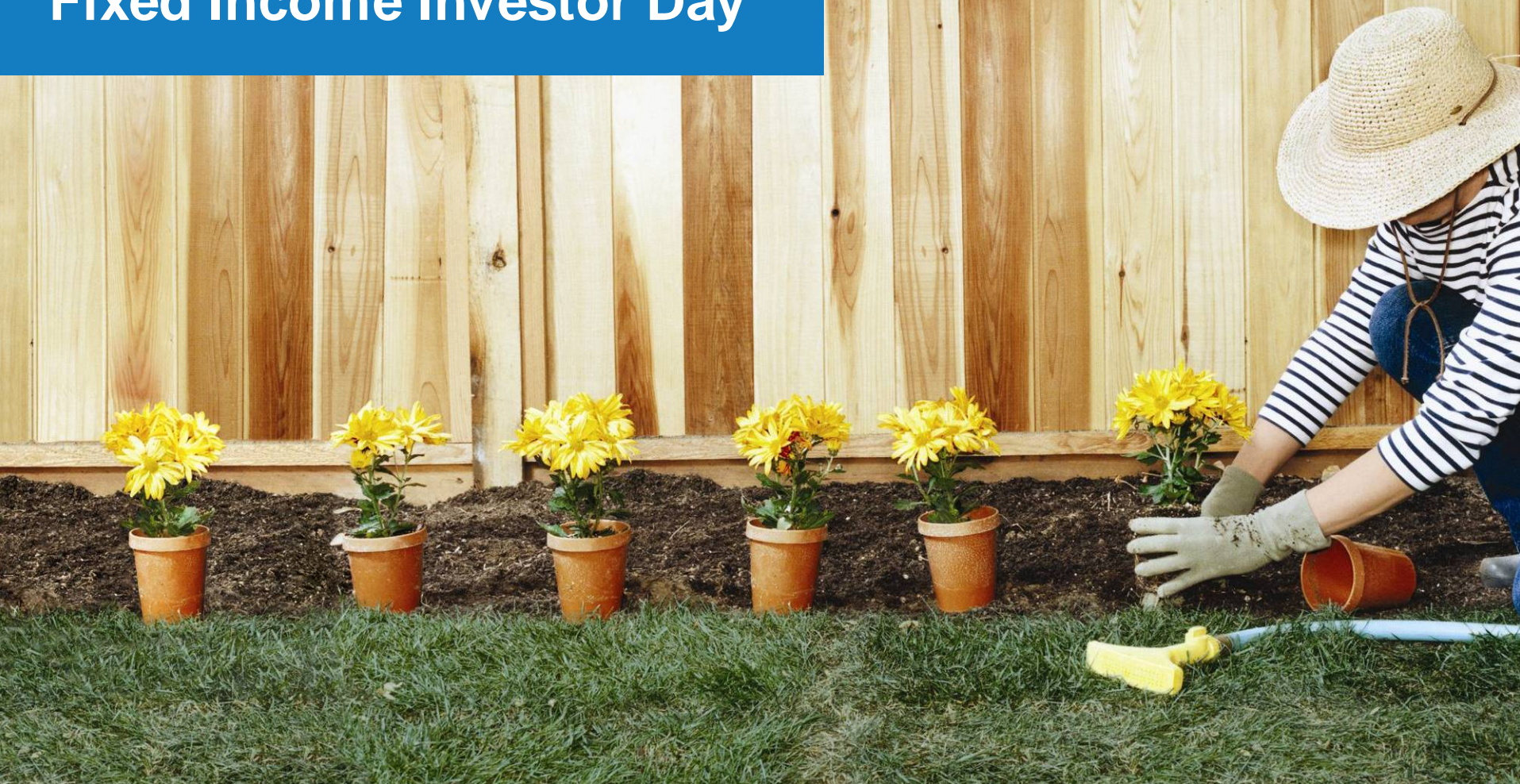




April 27, 2007

Fixed Income Investor Day



Agenda

- 9:00 Welcome and Introductions
Jack Carsky, FVP, Fixed Income Investor Relations
- 9:05 WaMu Overview
Tom Casey, EVP & Chief Financial Officer
- 9:30 Home Loans
David Beck, EVP, WaMu Capital Corp.
- 10:00 Credit Risk Management
Tom Casey, EVP & CFO
- 10:30 Treasury
Robert Williams, SVP & Treasurer
- 11:00 Q&A
WaMu Management

Cautionary Statements

This presentation contains forward-looking statements, which are not historical facts and pertain to future operating results. These forward-looking statements are within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions and other statements contained in this document that are not historical facts. When used in this presentation, the words “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” or words of similar meaning, or future or conditional verbs, such as “will,” “would,” “should,” “could,” or “may” are generally intended to identify forward-looking statements. These forward-looking statements are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the results discussed in these forward-looking statements for the reasons, among others, discussed under the heading “Factors That May Affect Future Results” in Washington Mutual’s 2006 Annual Report on Form 10-K include:

- Volatile interest rates and their impact on the mortgage banking business;
- Credit risk;
- Operational risk;
- Risks related to credit card operations;
- Changes in the regulation of financial services companies, housing government-sponsored enterprises and credit card lenders;
- Competition from banking and nonbanking companies;
- General business, economic and market conditions; and
- Reputational risk.

There are other factors not described in our 2006 Form 10-K and which are beyond the Company’s ability to anticipate or control that could cause results to differ.

WaMu

Overview

Tom Casey
Chief Financial Officer

Washington Mutual Today: A Leading Consumer-Focused US Bank



WaMu[®]

6th largest U.S. banking company by assets (\$320 billion)

Retail Business

- 2,228 retail banking stores in 15 states
- 6th largest banking company by total deposits
- 6th largest banking company by banking stores
- 3rd in outstanding debit cards

Mortgage Business

- 3rd largest U.S. home loan originator²
- 3rd largest U.S. home loan servicer²
- 6th in home equity loans
- 11th in U.S. in subprime lending³

Credit Card Business

- 6th largest bank card issuer in the U.S.¹

Commercial Group Business

- Leading multi-family portfolio originator
- 1st largest holder of multi-family portfolio

1 Nilson Report, 1/07, 2006 ranking

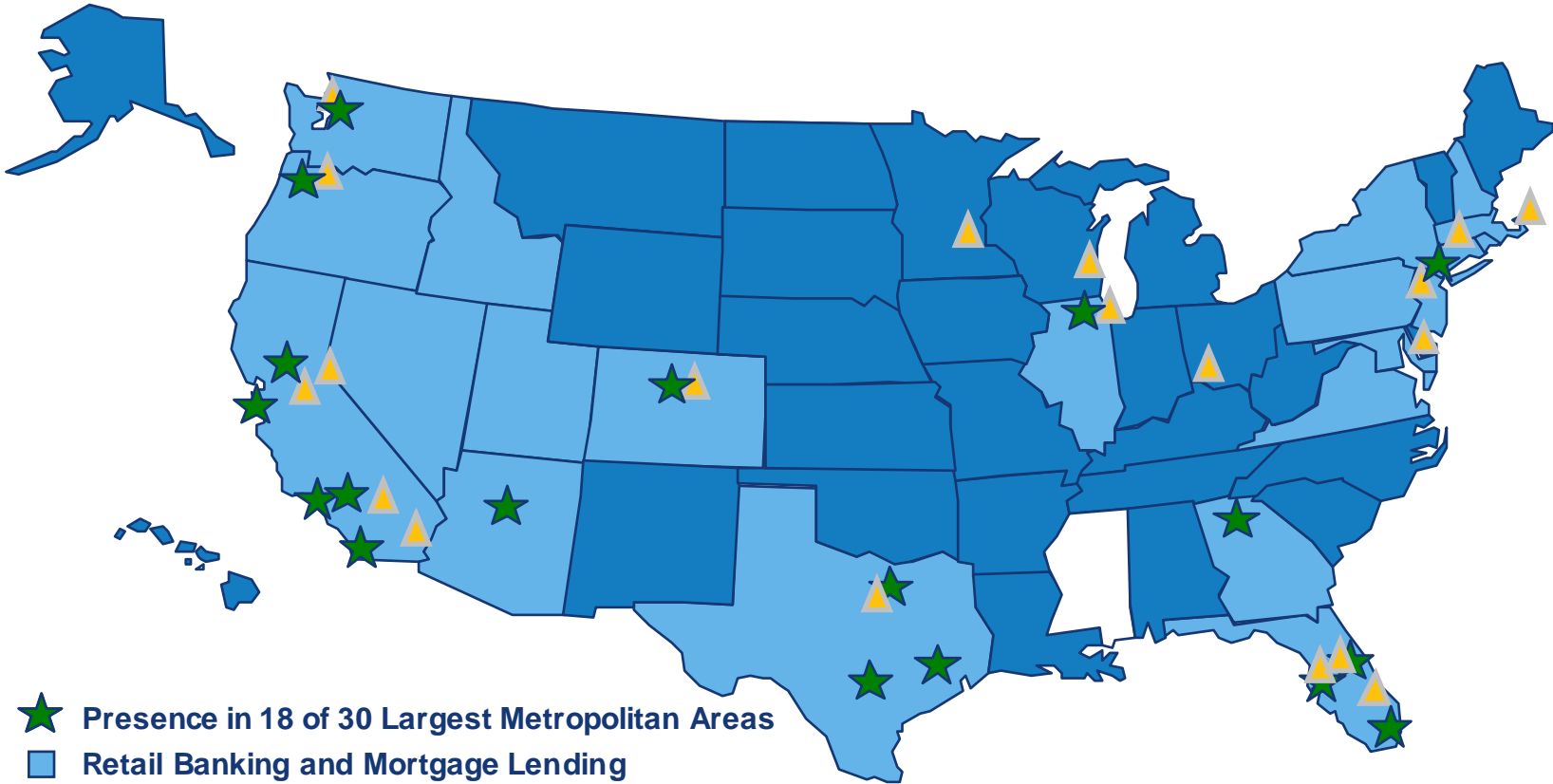
2 Inside Mortgage Finance, 2006 (originations), as of 12/31/06 (servicing)

3 Inside B&C Lending, 2006



WaMu

Powerful Distribution Franchise



★ Presence in 18 of 30 Largest Metropolitan Areas

■ Retail Banking and Mortgage Lending

2,228 Retail Stores in 15 States

3,925 ATMs

323 Home Loan Centers in 22 States

■ Wholesale, Consumer Direct and/or Long Beach Mortgage Lending in 49 States

▲ Multi-Family Lending through 54 Offices in 19 Markets

As of 3/31/07

2006 Strategic Actions

- Sold \$2.5 billion in mortgage servicing rights to Wells Fargo
 - Reduced MSR to 23% of Equity
 - Consistent with our Home Loans strategy
- Significant acceleration of our operating efficiency initiatives
 - Reduction of 10,000 positions or 18% during 2006
 - Increase of 4,000 positions shifted offshore
 - Substantial number of positions relocated to lower-cost markets in the U.S.
- Balance Sheet Repositioning
 - Sale of \$4.7 billion in low margin securities in Q4 '06
 - Designation of \$17.8 billion in low margin loans for sale in Q4 '06
- Over \$5.0 billion in share repurchases
 - Includes \$2.7 billion accelerated share repurchase on 1/3/2007
 - Maintained or enhanced regulatory capital positions
- Sold retail mutual fund management business WM Advisors

Segment Dynamics:

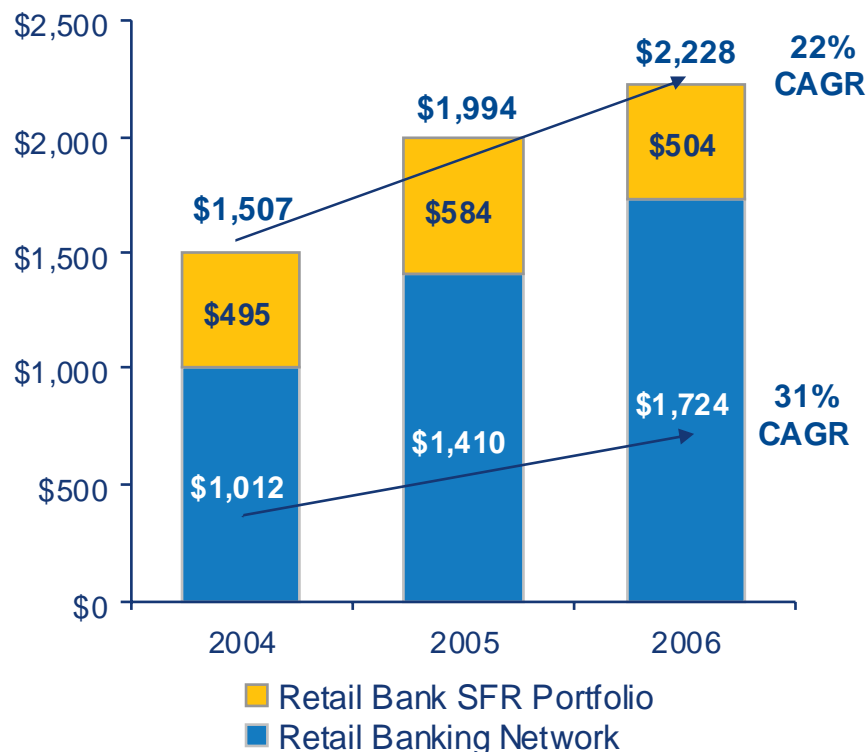
“A balanced strategy spanning all business segments”



Retail Banking

Income from continuing operations, net of taxes

(in millions)



2006 Results

- Record net new checking account growth of 1.23 million
- Record net household growth of 848,000
- Retail banking fees up 17%
- Opened 144 new stores
- Cross-sell ratio at 6.66

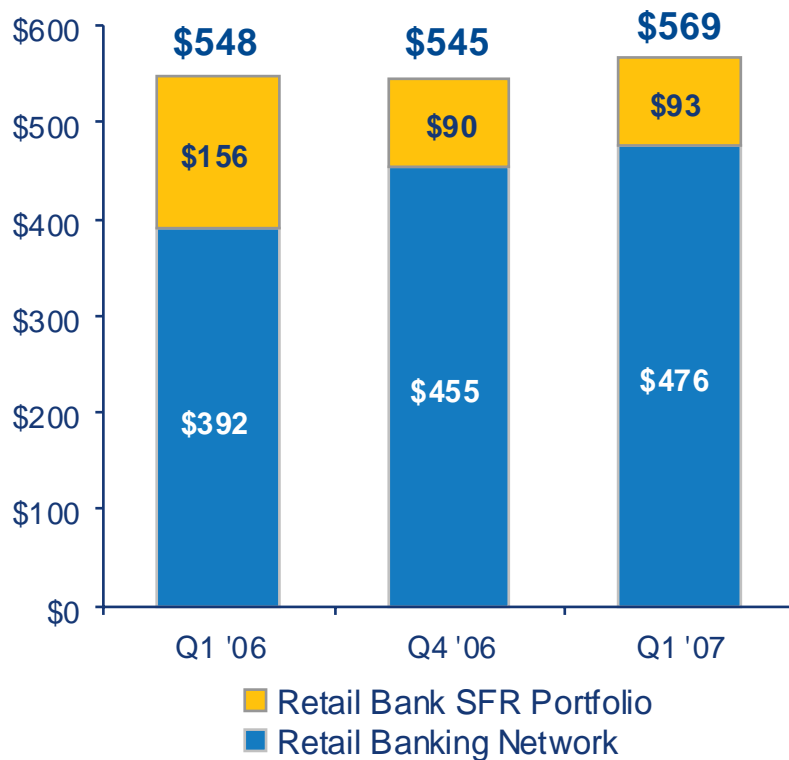
2007 Focus

- Continue to drive new account and household growth
- Focus on small business opportunity
- Sell more products to existing customers
- Open 100 – 125 new stores

Retail Banking

Income from continuing operations, net of taxes

(in millions)



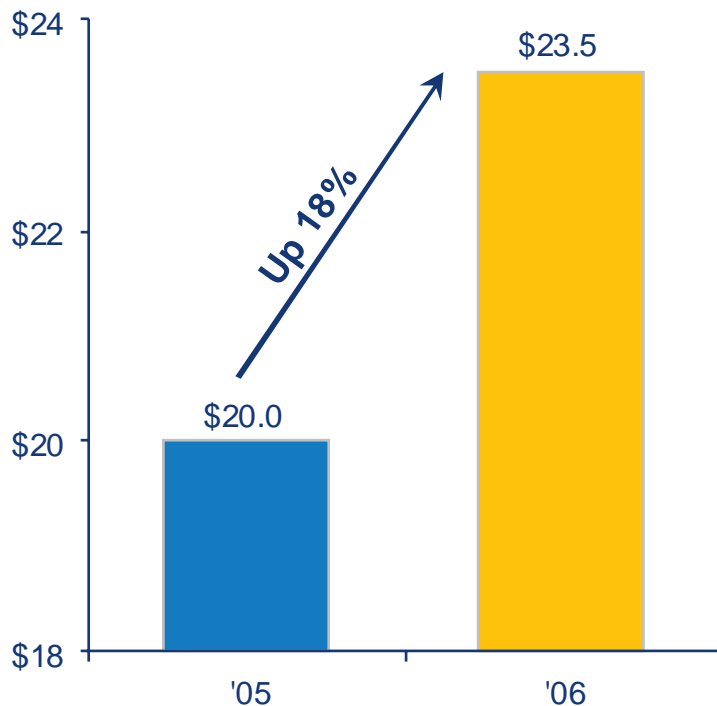
Q1 2007 Results

- Net new checking account growth of 328,000 – up 82% over Q4 '06
- Net household growth of 195,000
- Retail banking fees up 15% over Q1 '06
- Cross-sell ratio up to 6.78
- Opened 6 new stores

Card Services

Managed Receivables

(Period end balances, \$ in billions)



Strong 2006 Results

- Managed receivables up \$3.5 billion
- Managed net credit loss rate at 5.8%
- Managed 30+ day delinquency rate of 5.3%
- Booked over 3.2 million gross new customer accounts

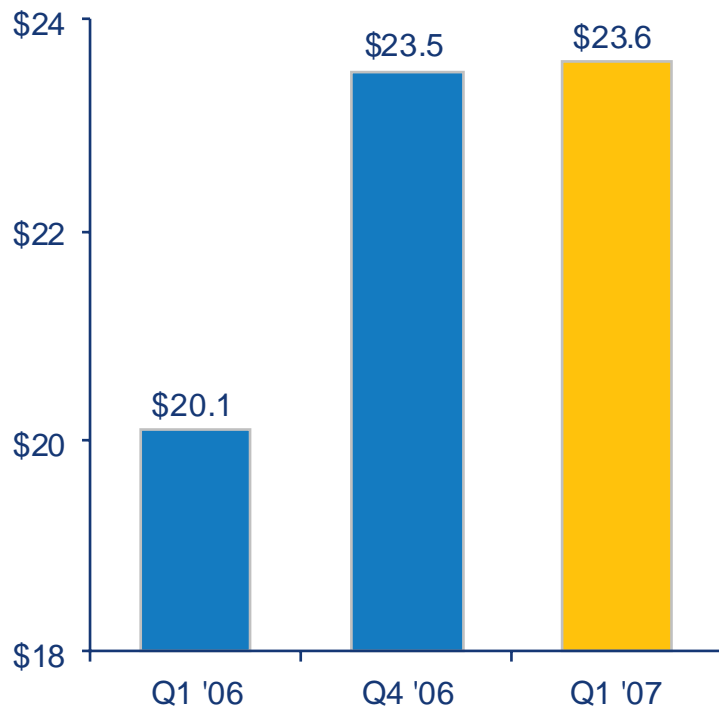
2007 Focus

- Continue to leverage retail customer base
- Grow national and endorsed accounts
- Maintain strong credit quality

Card Services

Managed Receivables

(Period end balances, \$ in billions)



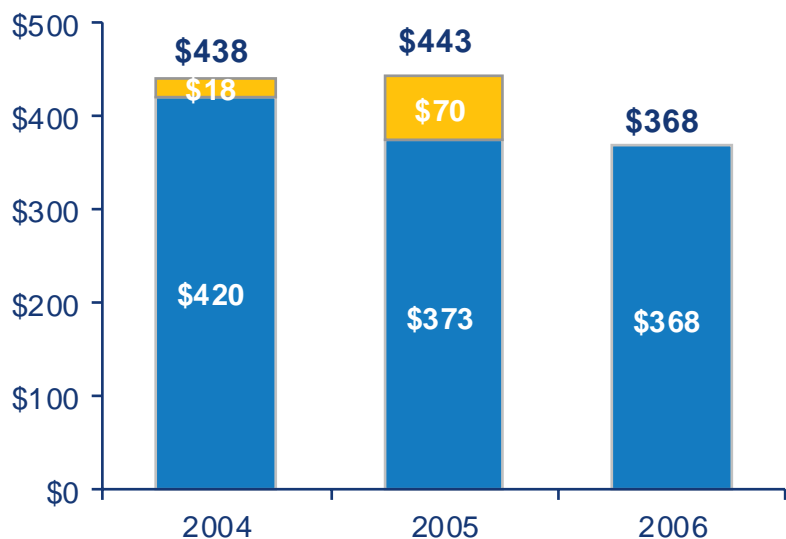
Q1 2007 Results

- Managed receivables up ~ 100 million
- Managed net credit loss rate at 6.3%
- Managed 30+ day delinquency rate of 5.2%
- Booked over 780,000 gross new customer accounts
 - ~ 1.4 million WaMu branded cards now in circulation

Commercial Group

Net Income

(in millions)



- After tax gain on sale of securities and real estate investments
- Net income (excluding GOS of securities and real estate investments)

2006 Results

- Loan volume up 14%
- Year-end loan balances up 24%
- Acquired Commercial Capital Bancorp on Oct. 1st to strengthen #1 California position
- Became #1 multi-family lender in New York

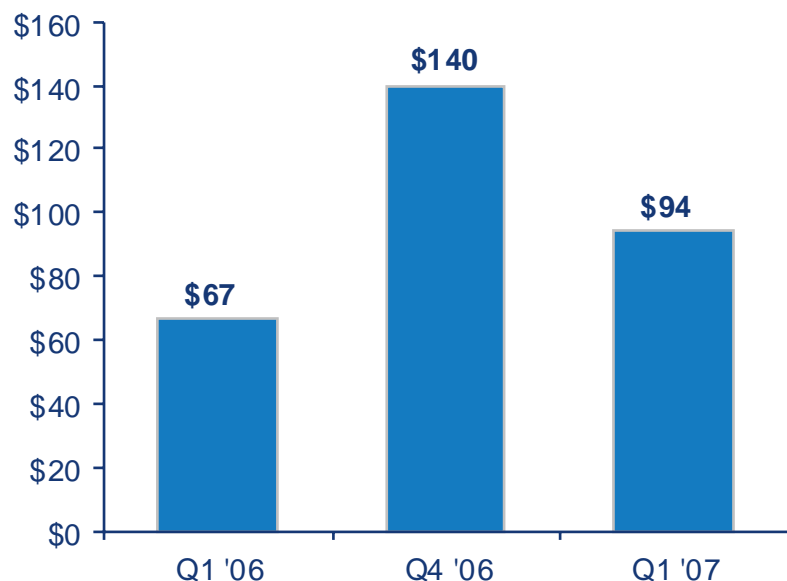
2007 Focus

- Grow existing markets and enter key new markets
- Leverage capabilities into commercial real estate lending
- Continue highly efficient model

Commercial Group

Net Income

(in millions)



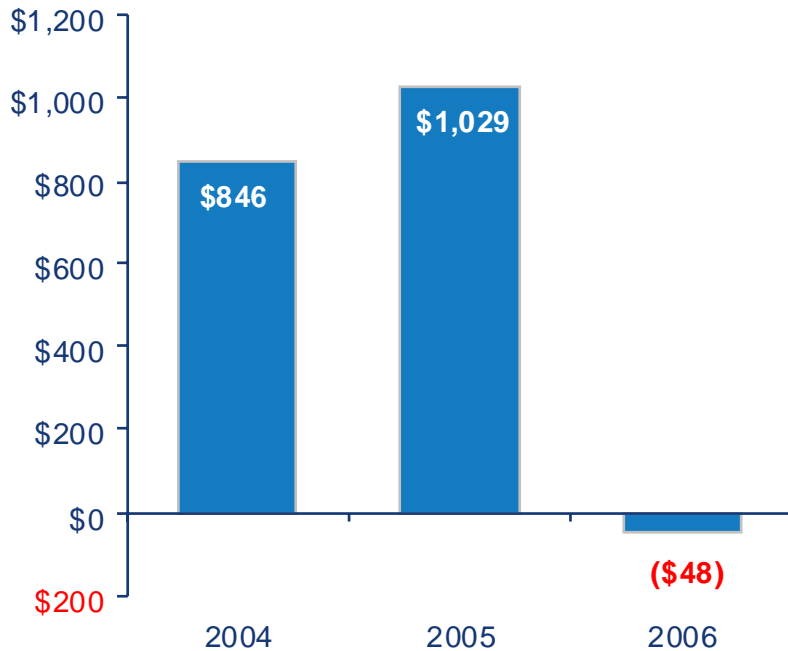
Q1 2007 Results

- Net income increased 40% over Q1 '06
- Loan volume increase 33% to \$3.7 billion versus Q1 '06
- Average loans increased 25% to \$38.6 billion over Q1 '06
- Efficiency ratio remains low at 34.5%

Home Loans

Net Income

(in millions)



2006 Results

- Loan volume down 22% due to slowing housing market and decision to exit correspondent business
- Average loan portfolio down 27%
- Subprime lending results in pre-tax loss of \$160 million in Q4

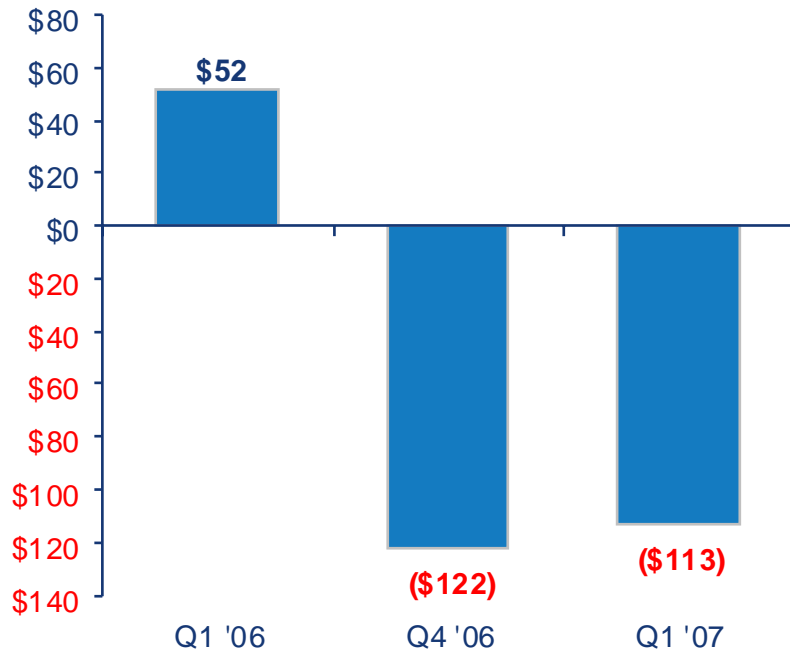
2007 Focus

- Target higher margin products
- Drive efficiency in the operations
- Increased focus on risk management
- Dedicated sales teams in Retail Network

Home Loans

Net Income

(in millions)



Q1 2007 Results

- Total volume down 34% year-over-year
- Subprime mortgage channel production down 51% year-over-year
- Expenses down 2% from Q4 '06 and 16% from Q1 '06
- Emphasized new product
- Dedicated sales teams focused on originating mortgage loans through the retail banking stores

2006 HL Strategic Actions Summary

| Strategic Objectives | Execution |
|----------------------------------|---|
| Growth in Higher Margin Products | <ul style="list-style-type: none">Increased Home Equity and Alt-A volumeRealigned traditional Correspondent to ConduitExited government lending and servicing |
| Reduce MSR Exposure | <ul style="list-style-type: none">Sold \$2.5 billion of mortgage servicing rightsStructured fixed rate at 1/8th service fee |
| Attack Cost Structure | <ul style="list-style-type: none">Integrated Long Beach, Mortgage Banker Finance and Home EquityConsolidated sites and systems<ul style="list-style-type: none">Core servicing sites from 9 to 5Loan origination systems down from 10 to 3Loan fulfillment centers down from 58 to 26Outsourcing and offshoring |

Home Loans

David Beck
EVP, Capital Markets

Mortgage Market Overview

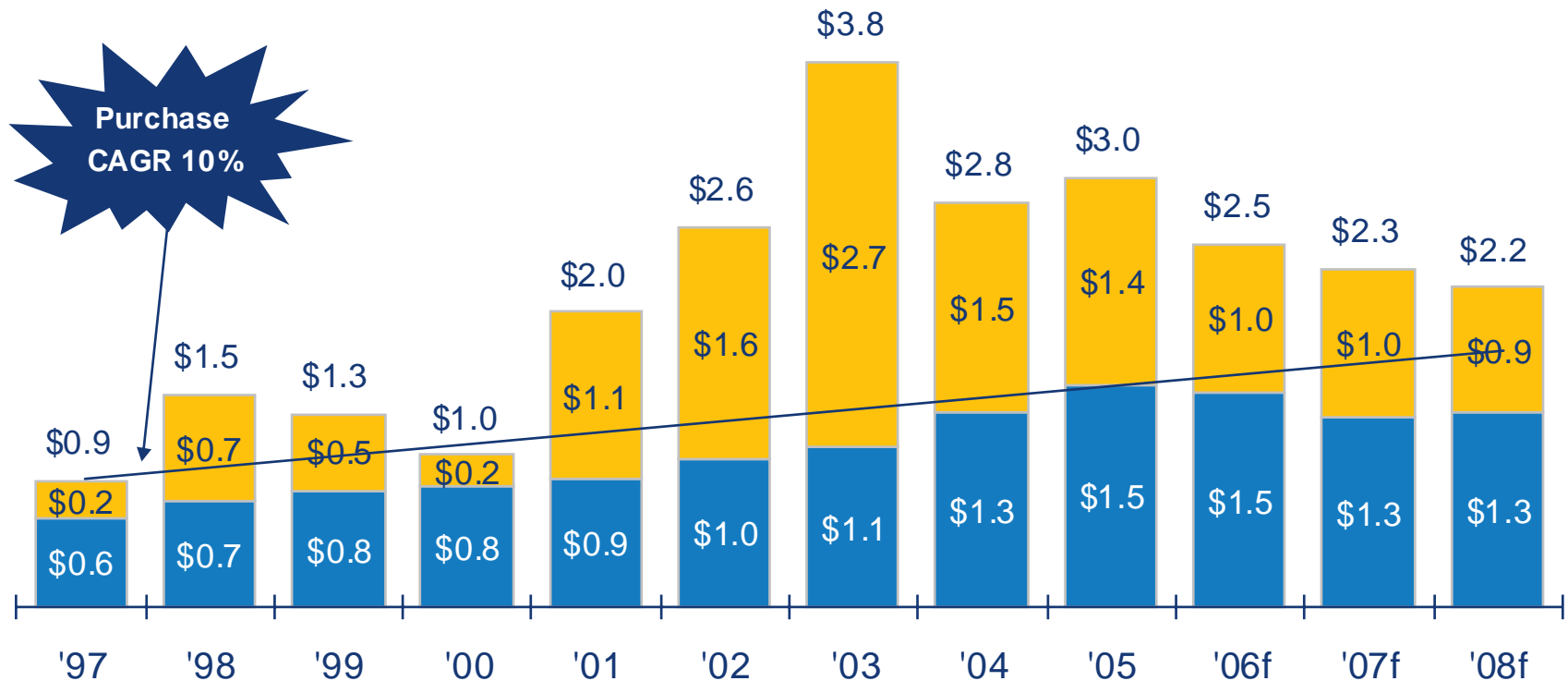
- **Managing Through a Challenging Market Environment**
- Focusing on Risk Management and Servicing
- Positioning for Growth

Business Environment

Industry Origination Trends

(\$ trillions)

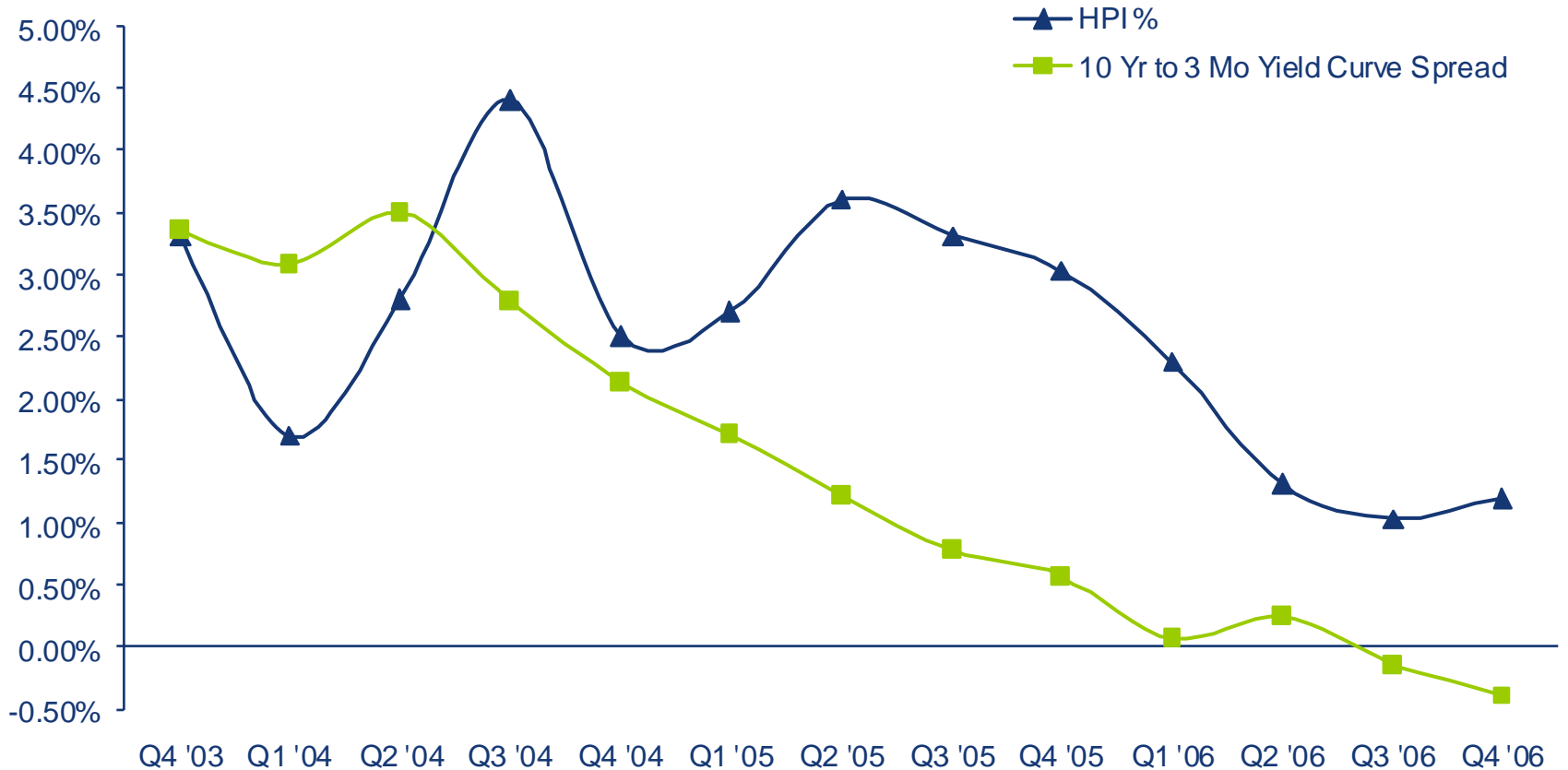
■ Refinance
■ Purchase



Source: Fannie Mae, January 2007

Business Environment

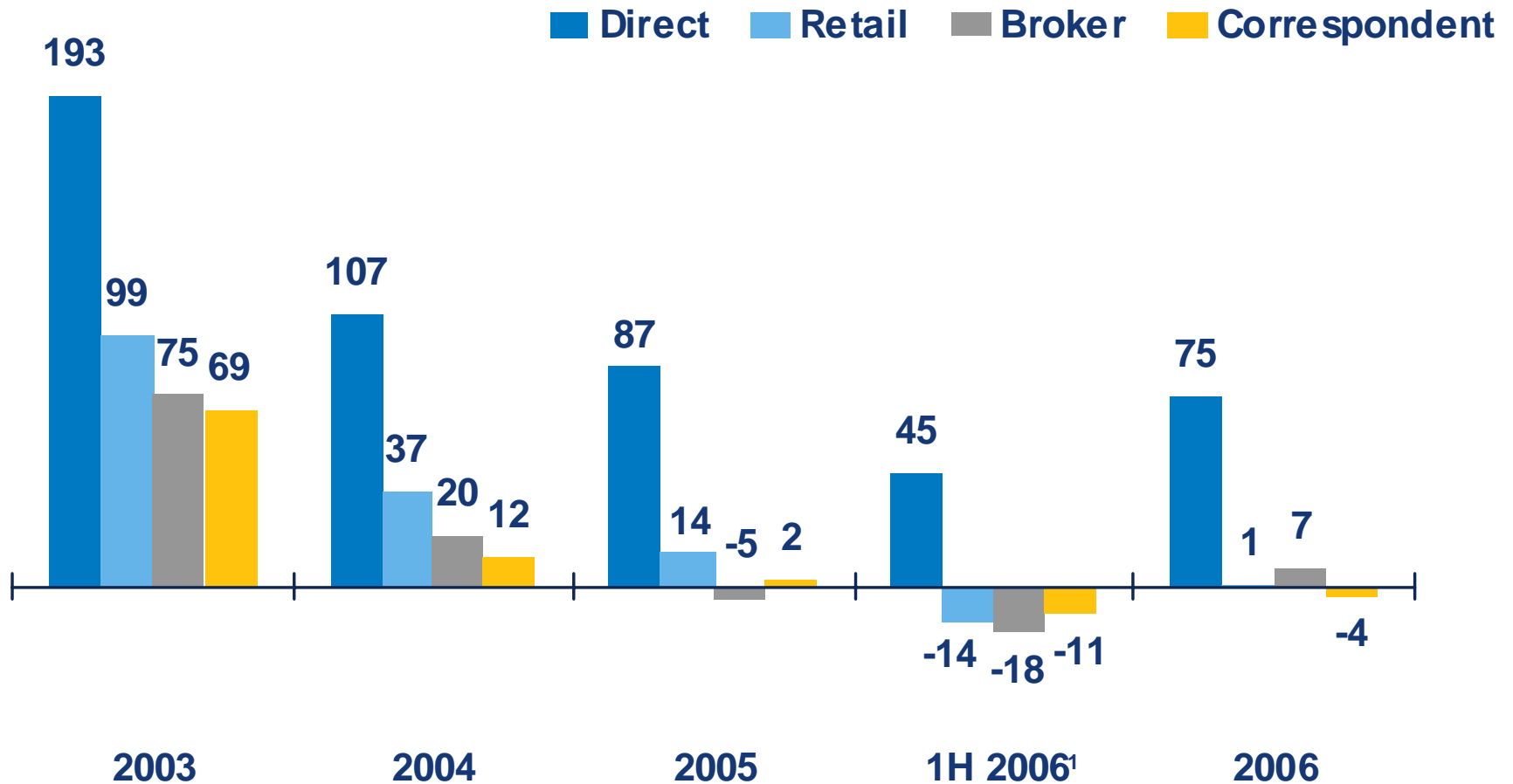
Yield Curve and Home Price Appreciation



Source: US Treasury and OFHEO, March 2007

Industry Margin Pressure

(in basis points)

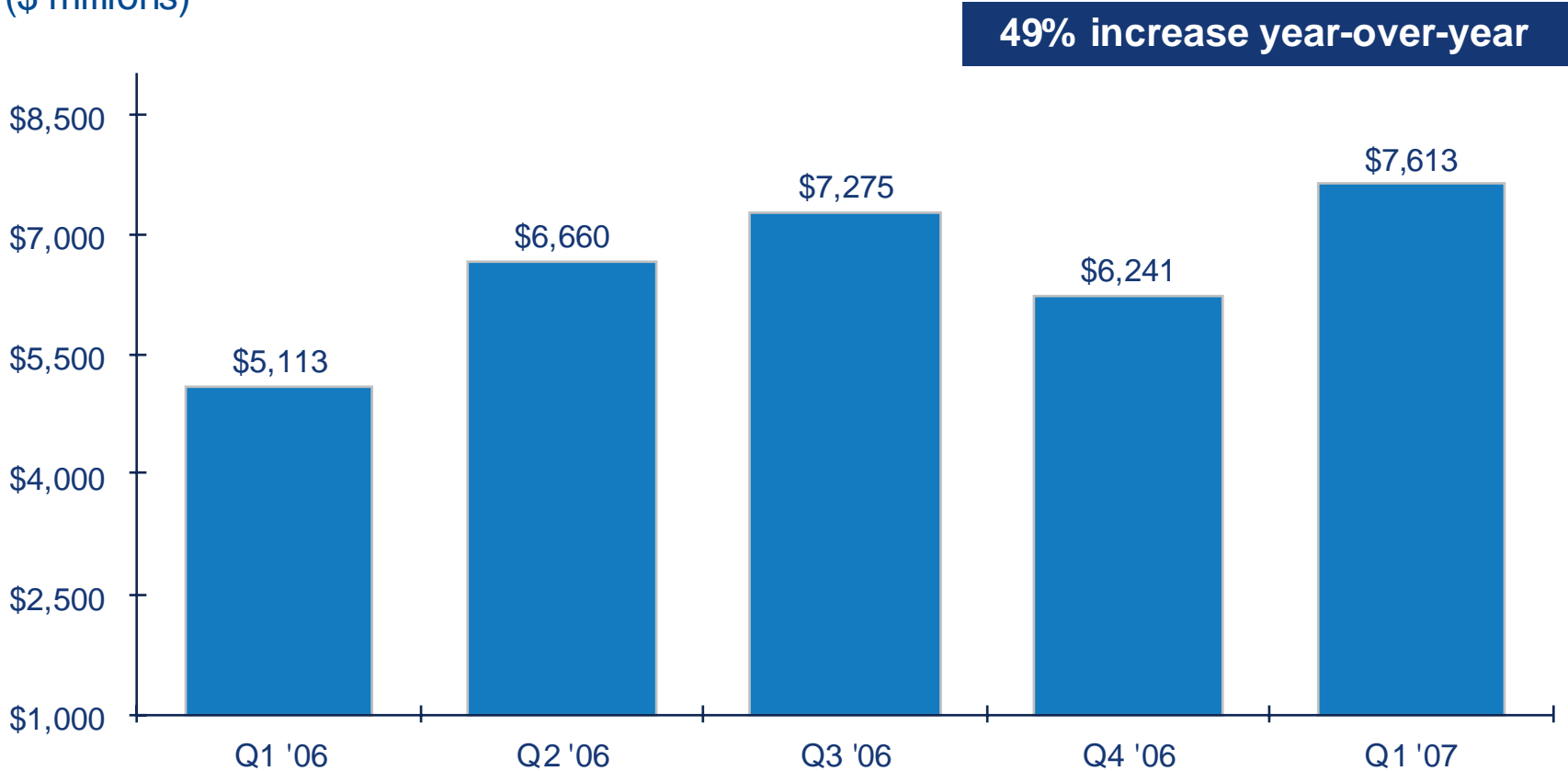


Source: Stratmor Spring 2007 Results, excludes Subprime
1 1H 2006 results are annualized

Alt-A Volume

Home Loans Group

(\$ millions)



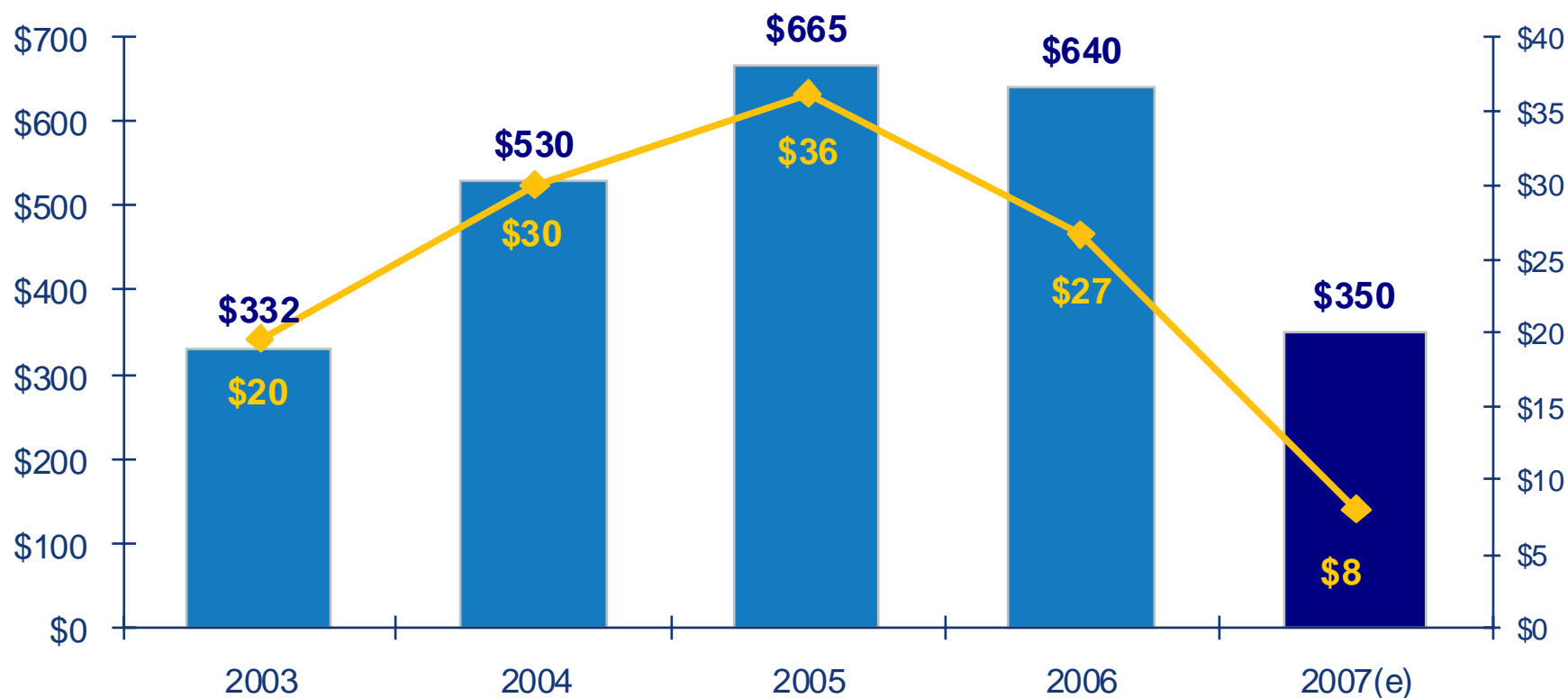
Alt-A volume includes Alt-A loan originated in all home loans channels

Subprime Industry Environment

Subprime Market Size

(\$ billions)

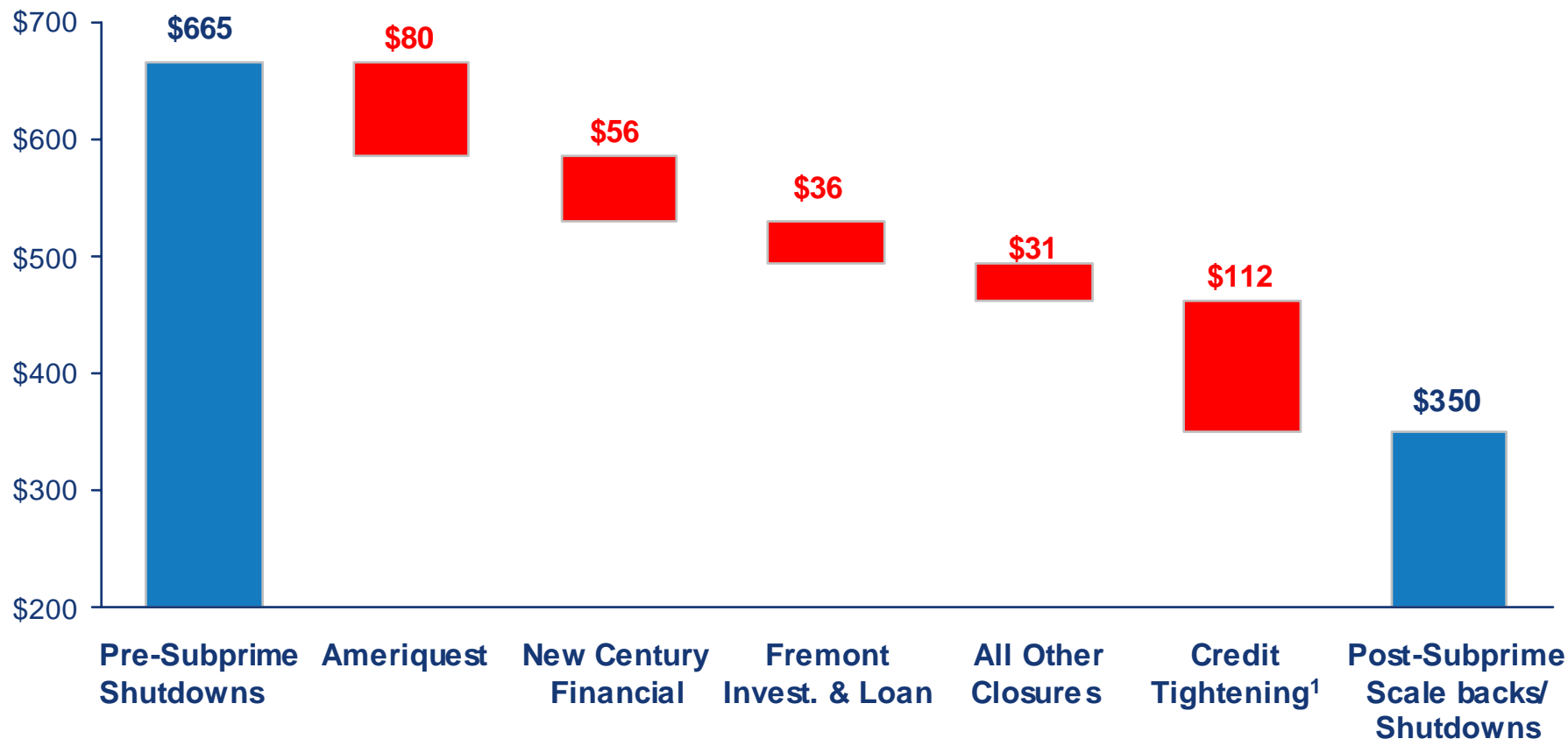
—◆— WaMu Subprime Mortgage Channel



Source: Inside Mortgage Finance

Adjusted 2005 Subprime Volumes

2005 Subprime Volumes Adjusted for Scale backs/Shutdowns (\$ billions)



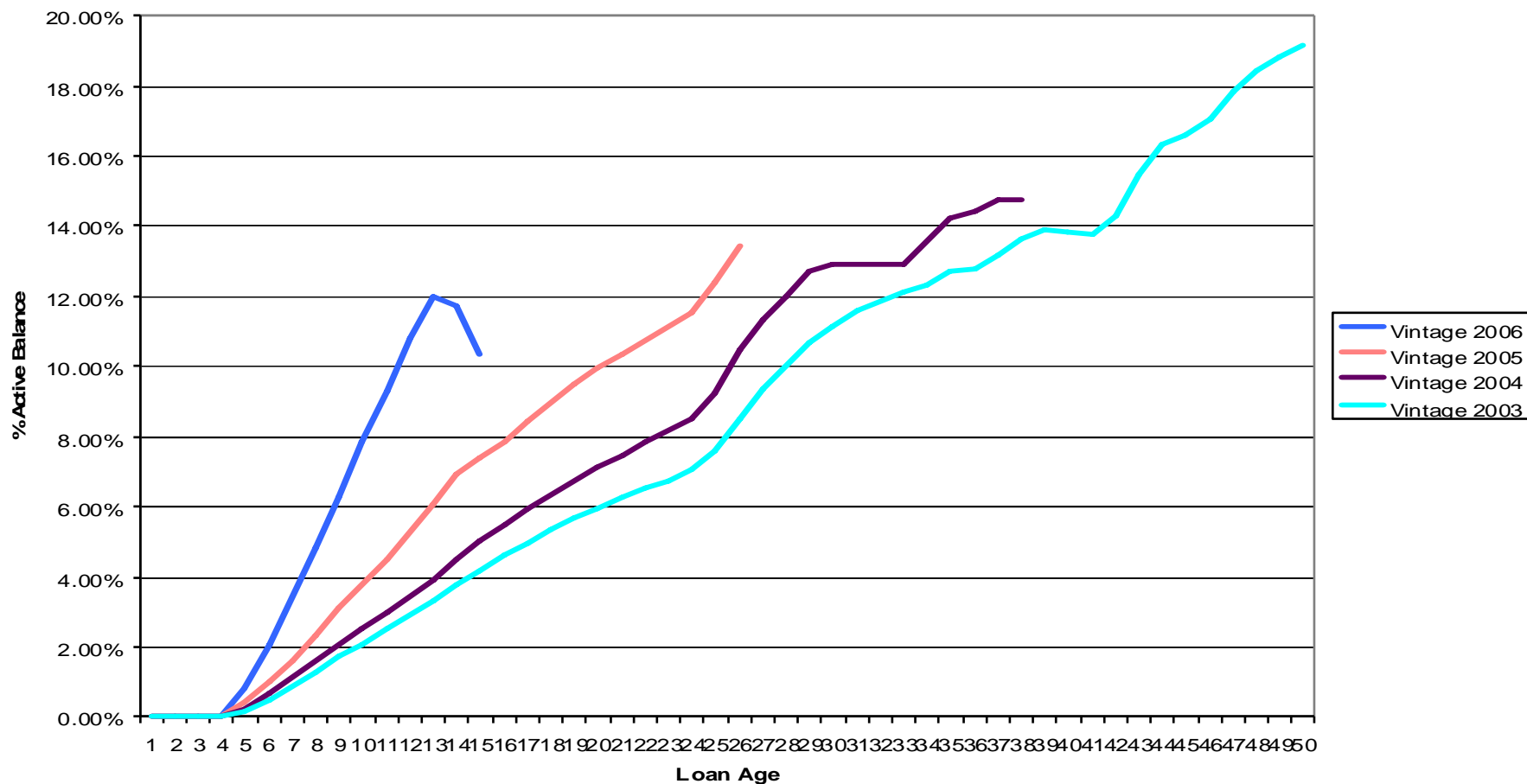
Source: SNL Interactive

¹ Credit Tightening based on WaMu estimates

Subprime Industry Environment

Subprime Industry 1st Lien Securities

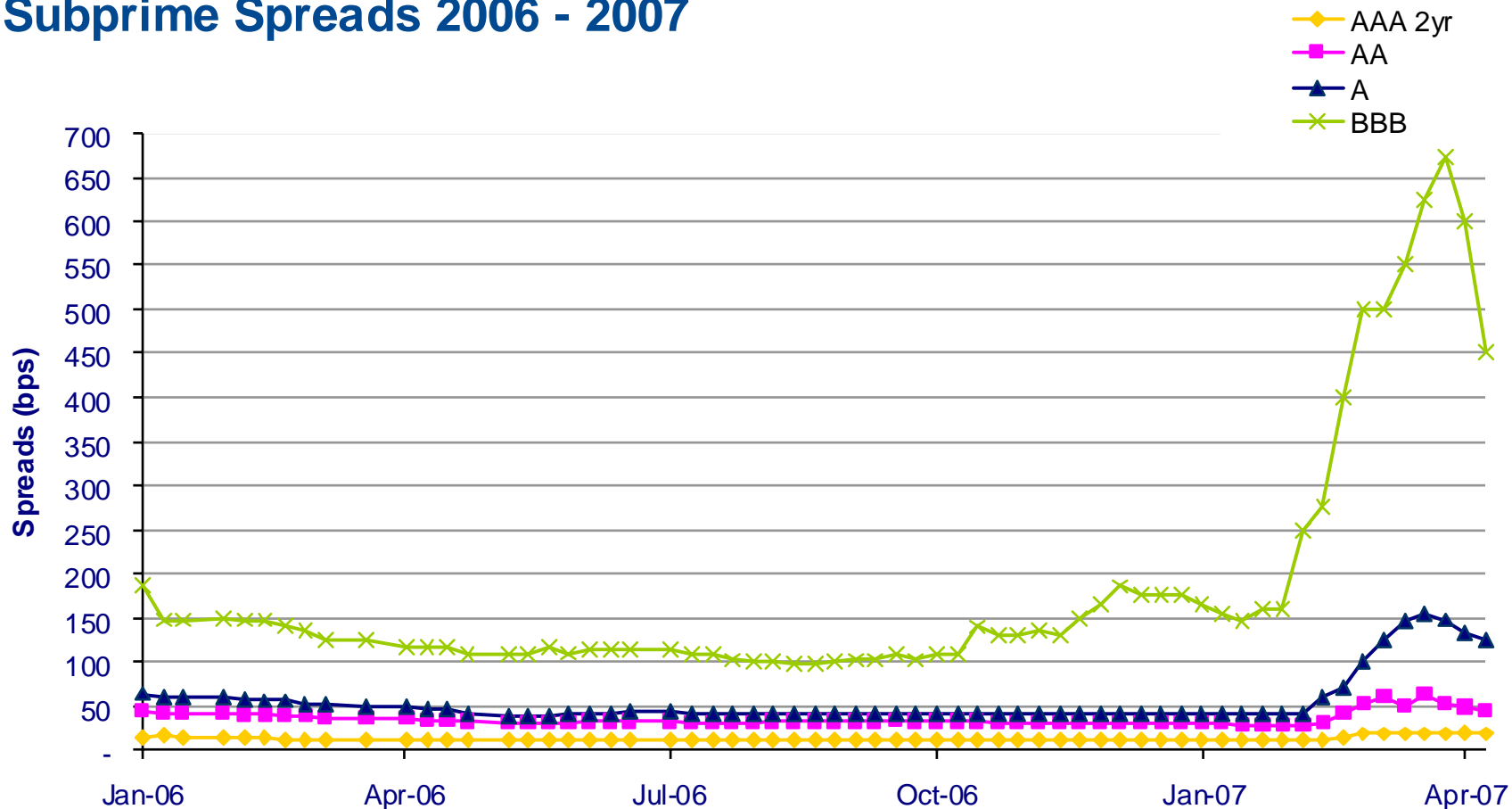
60+ Delinquency (including REO)



Source: Data from Loan Performance as of 4/20/07

Subprime Industry Environment

Subprime Spreads 2006 - 2007



Sources: Ifrmarkets.com and Informa Global Markets

Business Model Overview

- Managing Through a Challenging Market Environment
- **Focusing on Risk Management and Servicing**
- Positioning for Growth

WaMu Subprime Channel Exposure

| | Issue | Mitigant |
|--------------------------|---|---|
| Subprime Loan Portfolio | Rising DQs and C/O's | Increased loss reserves and improved servicing |
| Subprime Residual | Rising DQs and C/O's | Relatively limited financial exposure (~100 million) |
| Subprime/Alt-A Warehouse | Potential Further Spread Widening | Marked to market and disciplined warehouse turnover |
| Subprime Rep & Warranty | Repurchase Demands | Comfortable with Current Reserving |
| Mortgage Banker Finance | Increasing BKs among small and mid-sized loan aggregators | Position secured by collateral and full Capability to Service Loans |

Risk Management Focus

Significant improvements made to position WaMu for success

Origination Process

- Underwriter quality review
- Fraud tools implemented
- Broker Management Program
- Quality-based incentive plan for production management
- Quality-based incentive plan for underwriters
- Quality-based incentive plan for all other LFC personnel

Credit

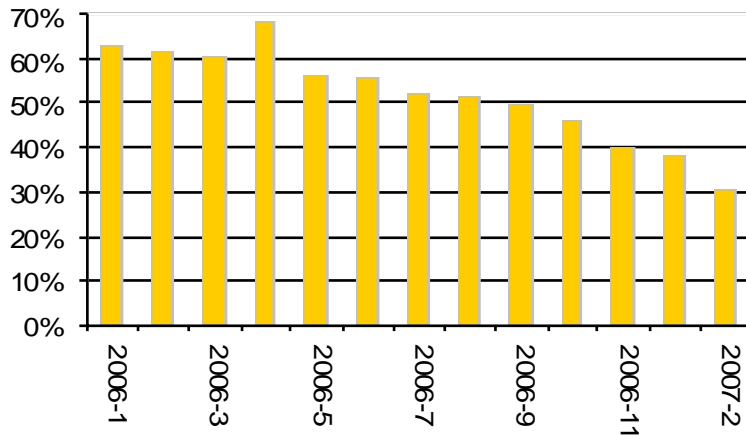
- Significant policy changes beginning March 2006
- Layered risks
 - Non-owner occupied and 100% LTV
 - First-time homebuyers
 - Piggybacks
 - Disposable income
 - Thin files
 - Geographic targeting

Servicing

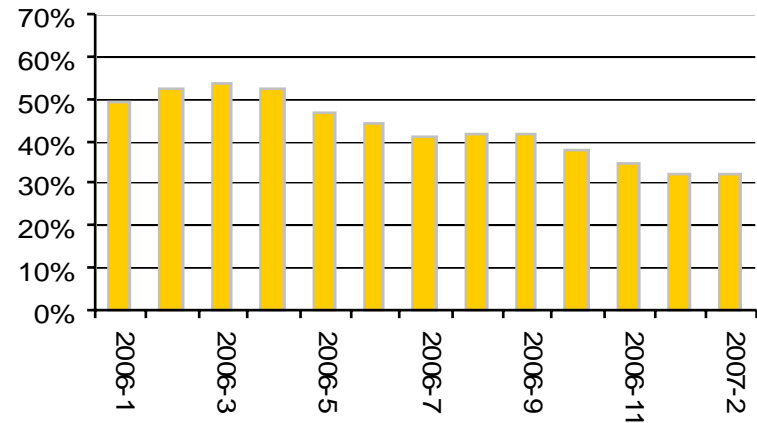
- Automated tools, capacity management and MIS
- Enhanced dialer utilization and workforce management
- Simplified employee performance incentive plans
- New Collection and Loss Mitigation tools (Back in the Black®)

Impact of Credit Policy Changes

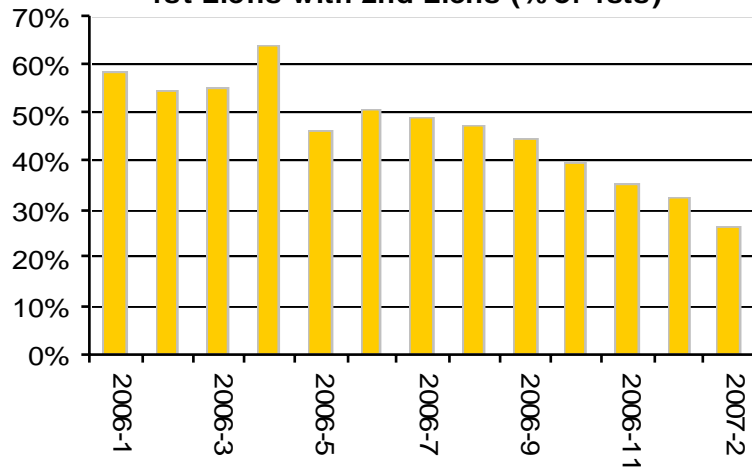
Purchase



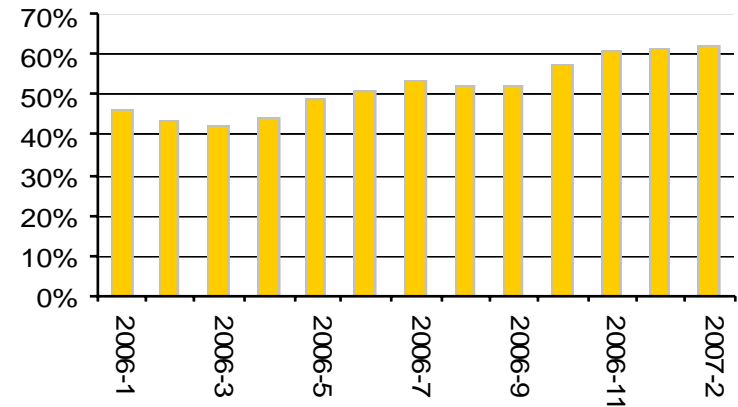
Stated Income



1st Liens with 2nd Liens (% of 1sts)



Full Doc



Ratings Reflect Above Average Ability

WMB's Subprime Servicer Ratings:

Moody's – “SQ2 Above Average”

“Moody's ratings are based on the company's above average collection abilities, above average loss mitigation results, average foreclosure timeline and REO management and above average servicer stability.” (*Moody's Investors Service press release April 9, 2007.*)

Standard & Poor's – “Above Average”

“Servicer demonstrates very high ability, efficiency, and competence in managing mid-to-large-sized portfolios, as well as solid management experience, an acceptable track record, internal practices and policies that meet industry or regulatory standards, and a managed-portfolio performance history similar to industry averages.” (*Standard & Poor's*)

Fitch – “RPS2+ Full Approval (with Noted Strengths)”

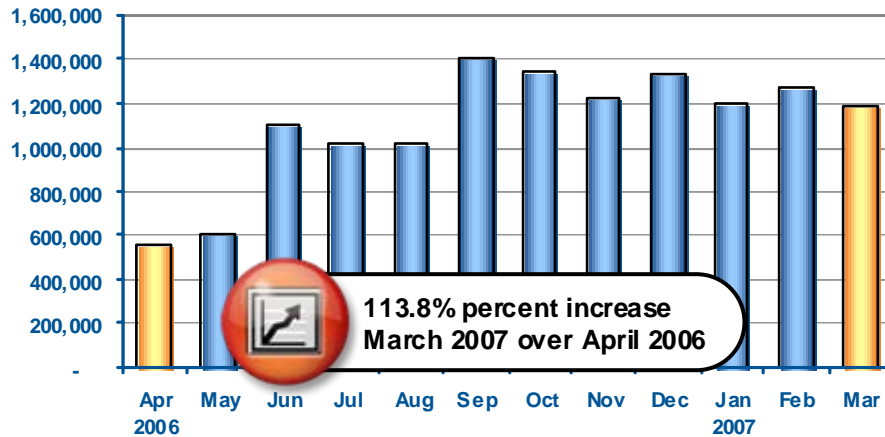
“Servicers that receive a level two (2/2+/2-) rating have demonstrated high performance in all relevant categories. In addition, the level two designations represent the servicer has specific strengths in several areas...” (*Fitch Ratings*)

Subprime Default Servicing

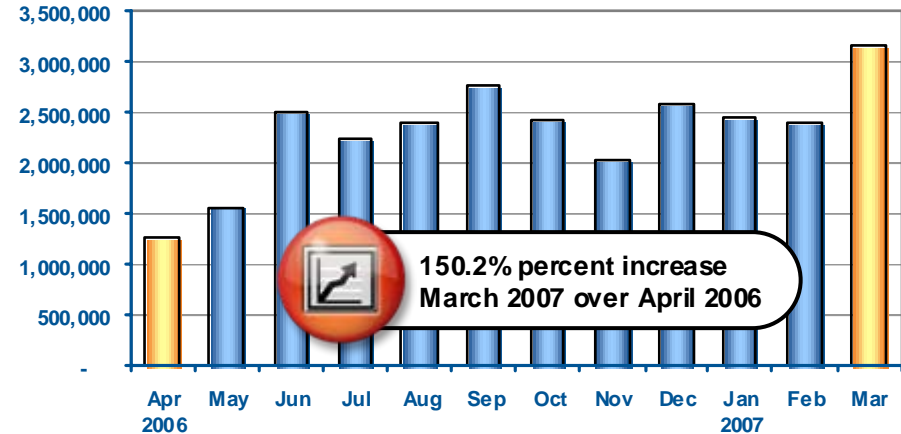
- Created robust capacity plans, forecasting, and predictive models
- Significantly enhanced dialer utilization and workforce management
- Automated Default operational reports and employee dashboards
- Simplified performance incentive plans and payouts
- Rolled out the “Back in the Black® Servicing Platform” to Sub-prime Collections and Loss Mitigation
- Established targeted Collection strategies
 - First and Early Payment Default (FPD and EPD), Loss Mitigation, Non-Performing Assets (NPA)
- Automated Foreclosure referral and Equity Analysis process
- Enhanced REO vendor management and scorecards

Improved Default Servicing Metrics

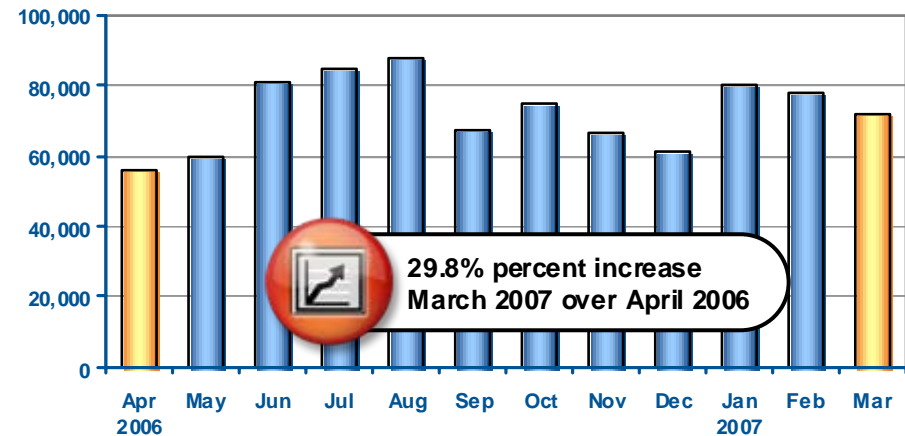
Total Download



Outbound Dials

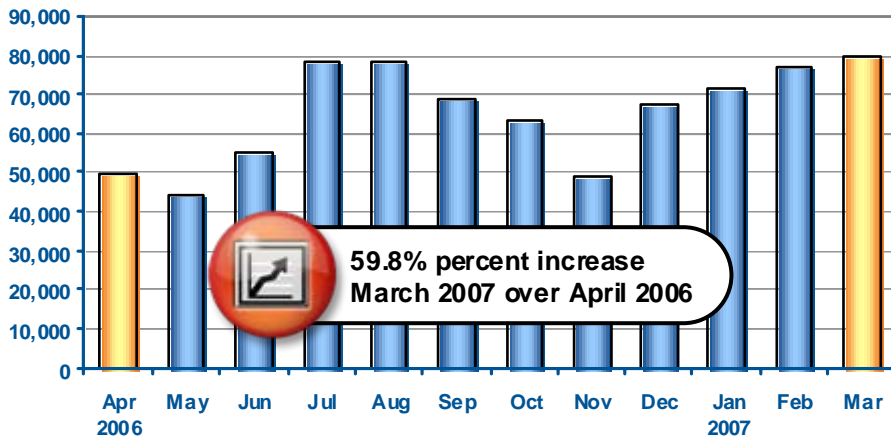


Inbound Call Volume

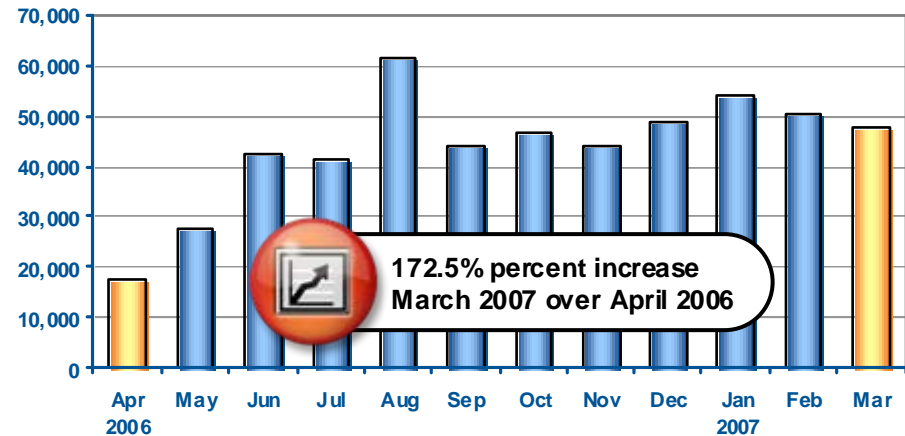


Improved Default Servicing Metrics

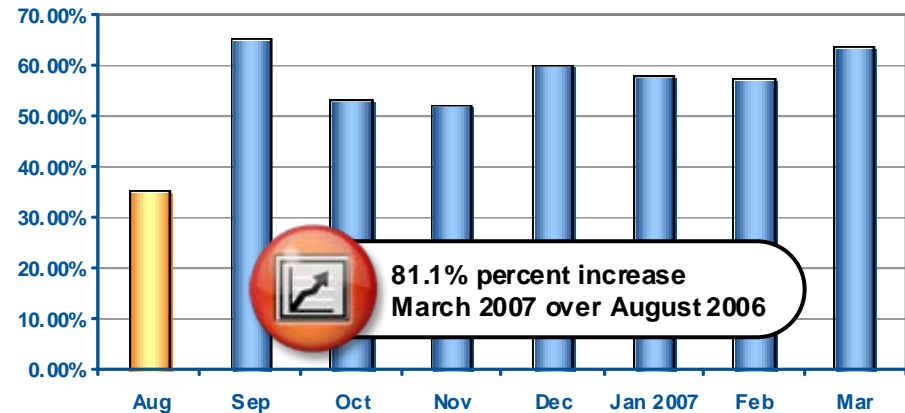
Right Party Contacts



Total Promises



Just-In-Time % of Total Payments Received



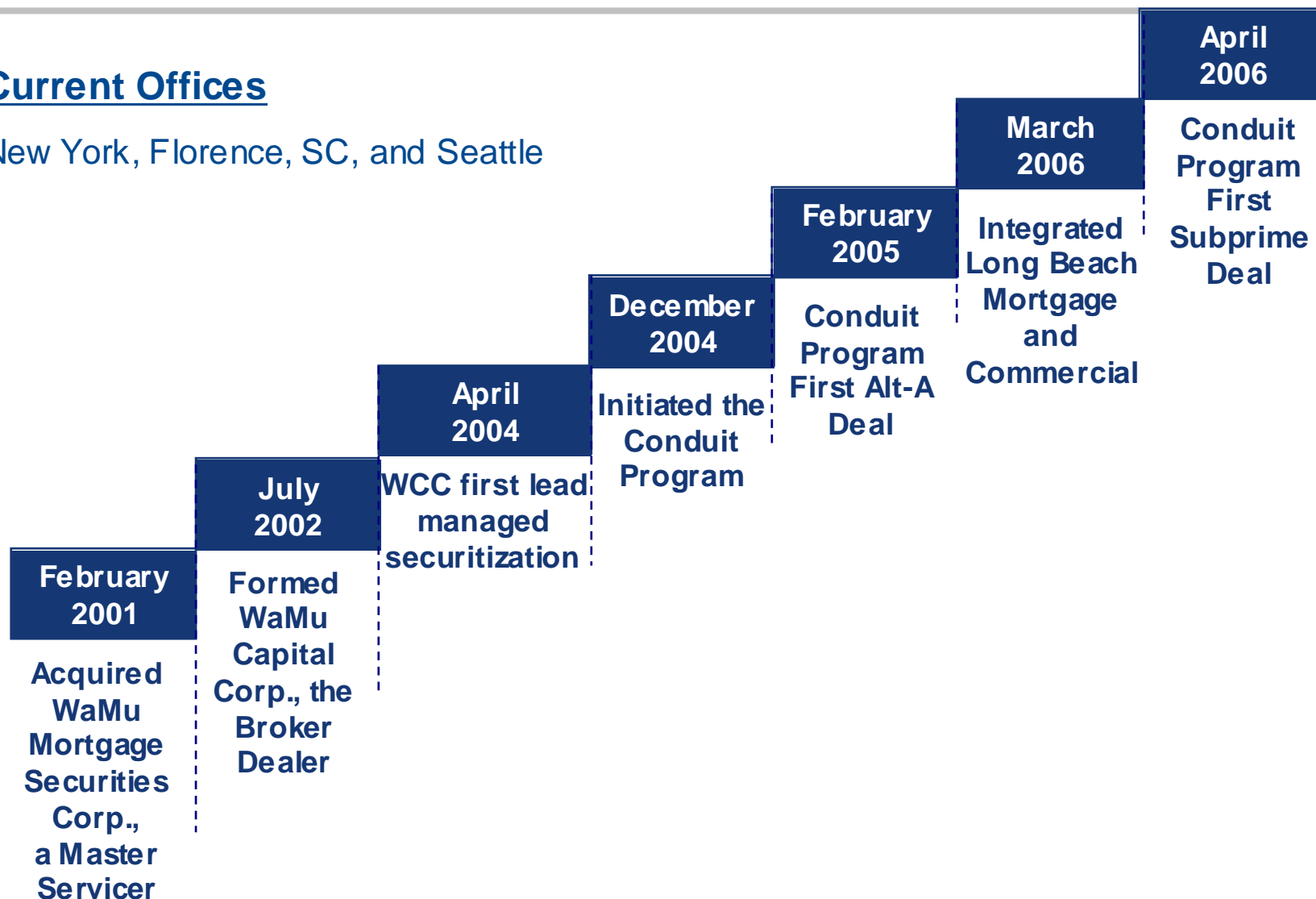
Business Model Overview

- Managing Through a Challenging Market Environment
- Focusing on Risk Management and Servicing
- **Positioning for Growth**

Capital Markets Division Growth

Current Offices

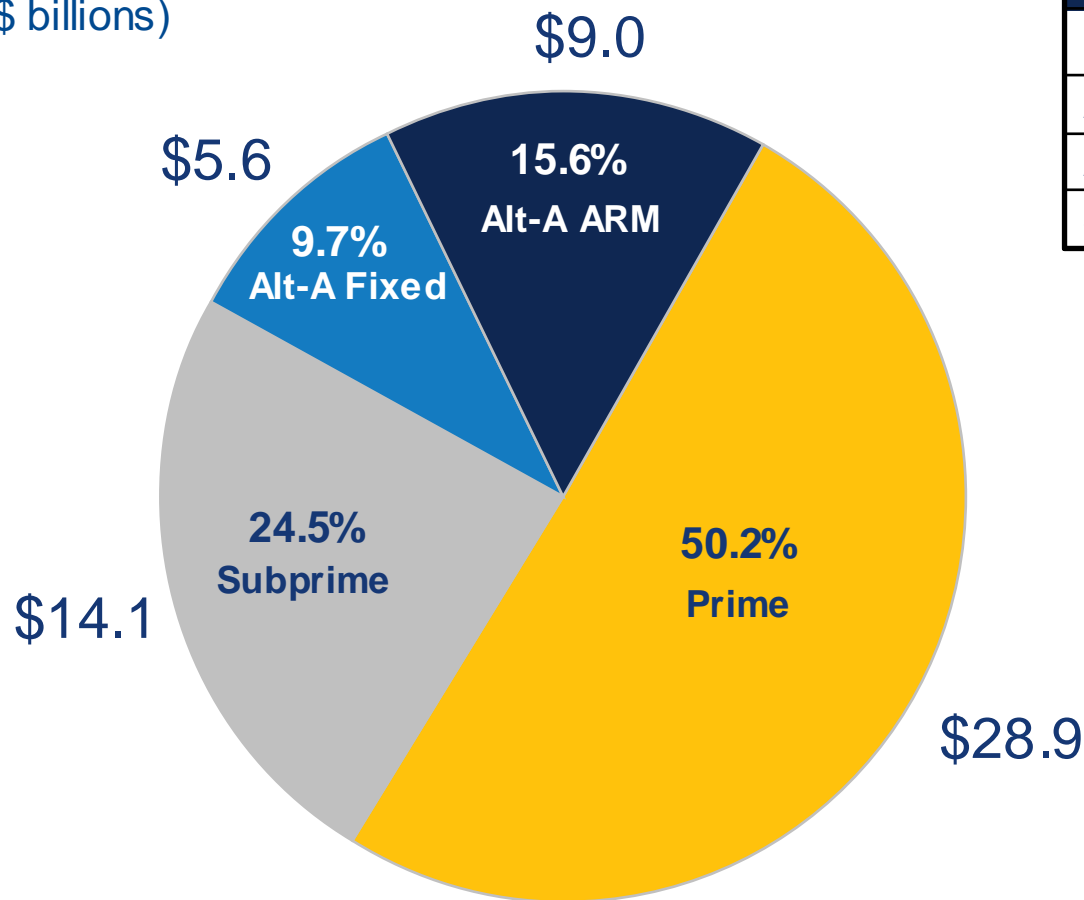
New York, Florence, SC, and Seattle



WaMu Capital Corp Sole/Lead Underwriter

January 1, 2006 – December 31, 2006
OPB of Publicly Offered Certificates
(\$ billions)

| | # of Deals |
|-------------|------------|
| Prime | 24 |
| Alt-A Fixed | 9 |
| Alt-A ARM | 10 |
| Subprime | 13 |



Origination Through Distribution



Mortgage Market Summary

- External environment remains challenging
- Prime business improving and focused on higher margin products
- Subprime operating environment remains difficult but looking up
- Disciplined credit culture
- Portfolio performance stable and mirrors strategy
- WaMu Home Loans business model driving for better results and positioned for growth

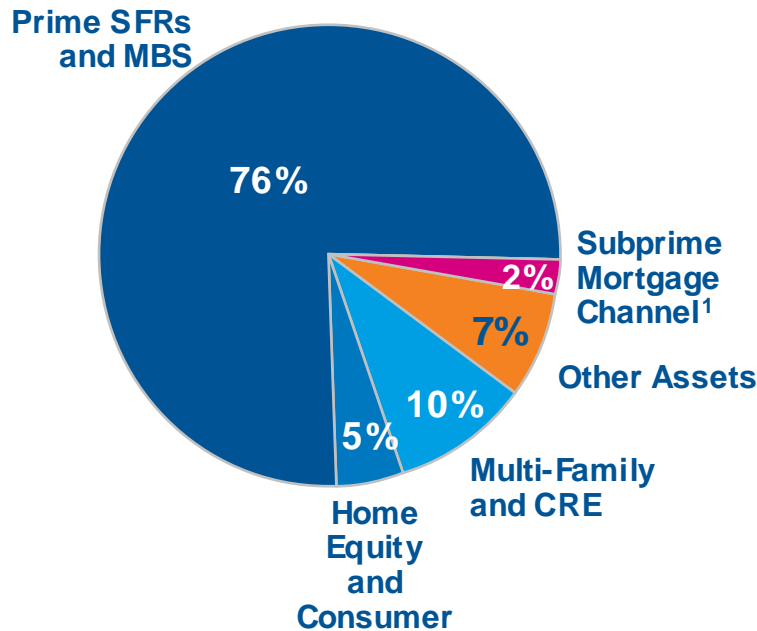
Credit Risk Management

Tom Casey
Chief Financial Officer

Asset Mix Continues to Evolve

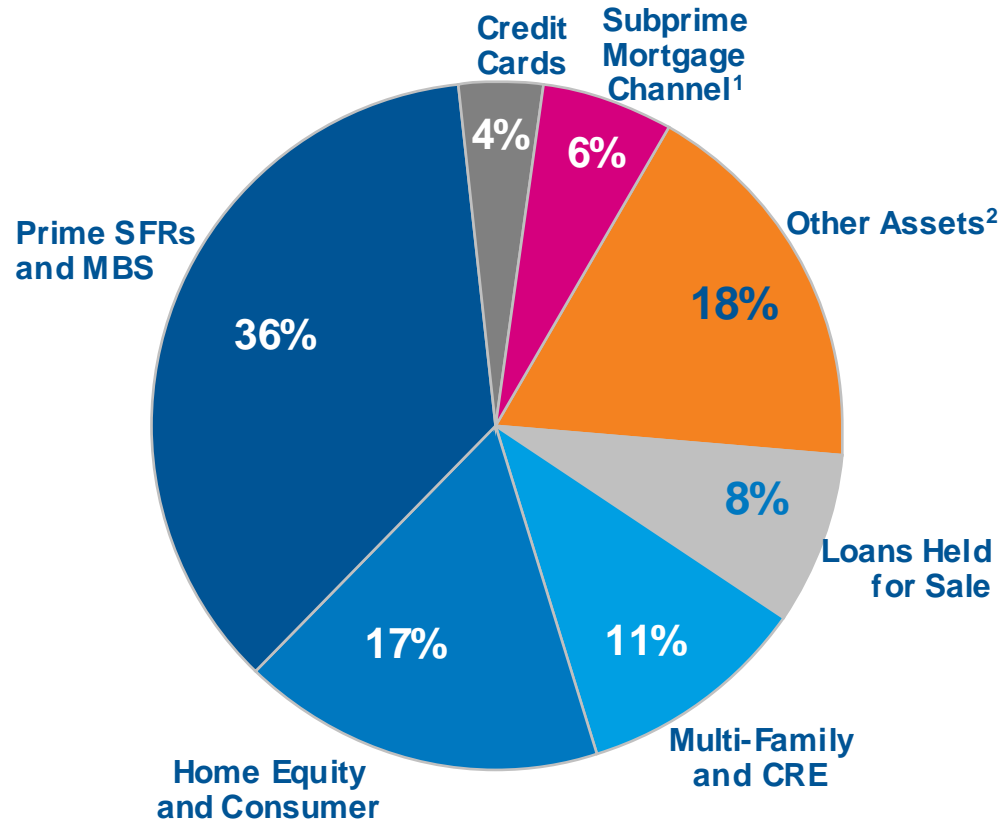
\$187 billion

As of 12/31/99



\$320 billion

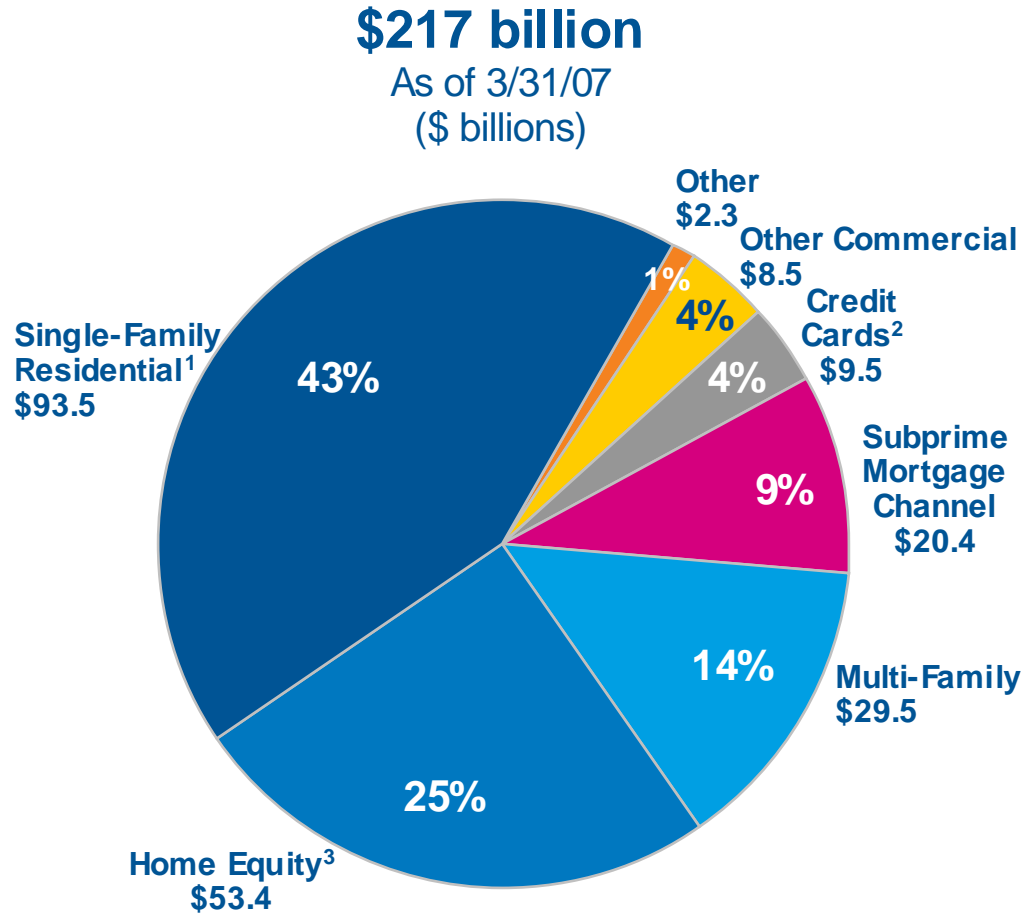
As of 3/31/07



¹ Subprime Mortgage Channel represents mortgage loans purchased from recognized subprime lenders and mortgage loans originated under the Long Beach Mortgage name and held in its investment portfolio.

² Other assets includes mortgage servicing rights, goodwill, other investment securities and cash and cash equivalents

Loan Portfolio Mix



1 Excludes Custom and Builder Construction and Subprime Mortgage Channel

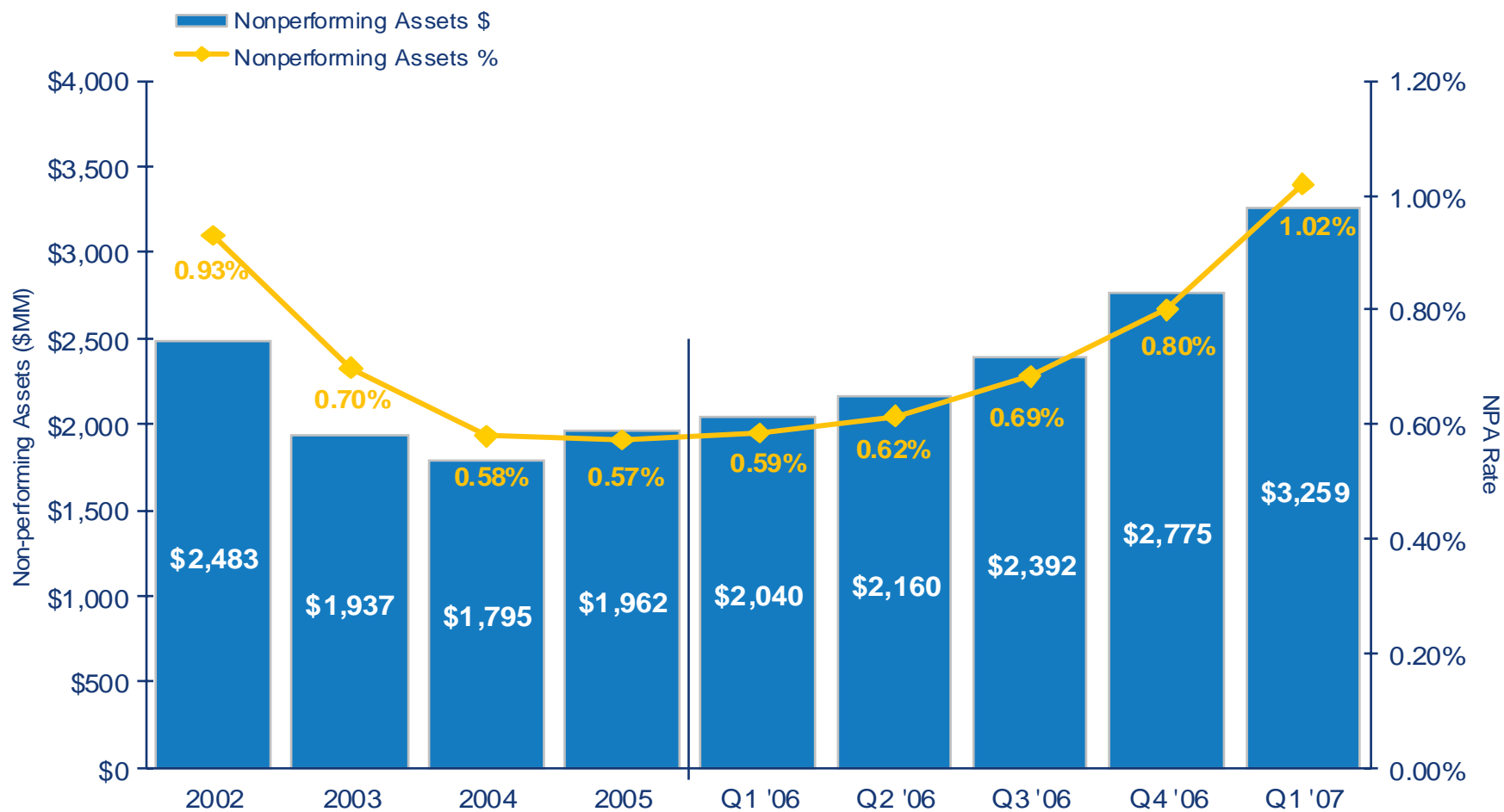
2 Excludes Managed Credit Cards totaling \$14.1 billion

3 Excludes Home Equity loans included in the Subprime Mortgage Channel

Response to Current Credit Environment

| Home Loans | Card Services | Commercial |
|---|--|---|
| <ul style="list-style-type: none">■ Strong product and geographic diversification■ Subprime Mortgage Channel<ul style="list-style-type: none">- Proactively tightened selective credit standards- Improved pricing- Development of conduit capability- Improved broker management process- Intensified loss mitigation efforts■ Prime Home Loans<ul style="list-style-type: none">- Sold 49% of 2006 and Q1 '07 Option ARM production | <ul style="list-style-type: none">■ Tightened underwriting guidelines■ Enhanced default management capabilities■ Focused on penetrating current WaMu customer base■ Improved analytics and technology | <ul style="list-style-type: none">■ Prudently grew multi-family lending portfolio<ul style="list-style-type: none">- Expanded market share■ Provided market liquidity through ongoing securitizations■ Disciplined portfolio approach<ul style="list-style-type: none">- Little home builder exposure |

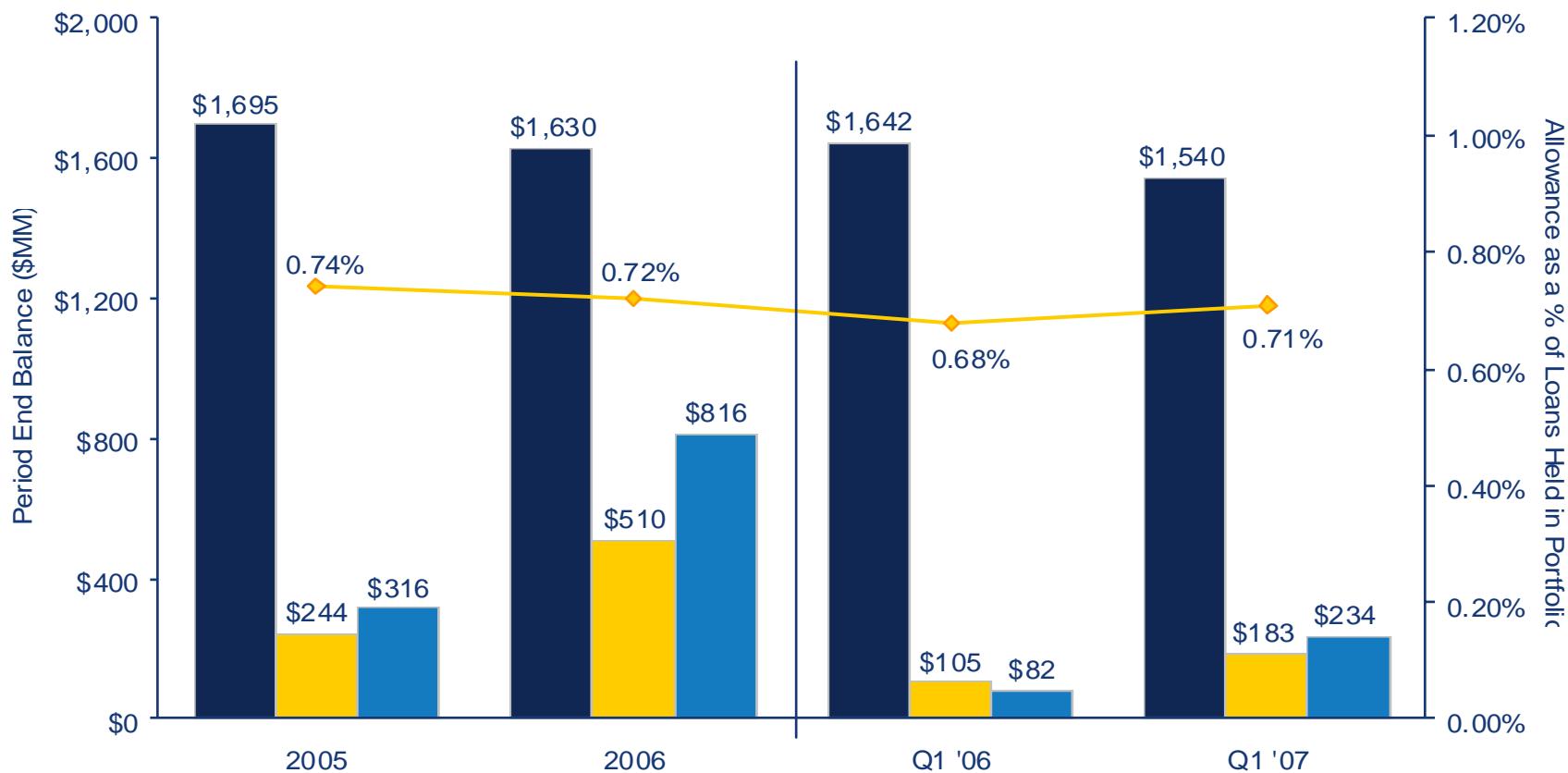
Owned Loan Portfolio NPA Trend



Allowance for Loan and Lease Losses

(\$ millions)

- Allowance for loan and lease losses (period end)
- Net Charge-offs
- Provision
- ◆ Allowance as a % of loans held in portfolio



WaMu acquisition of Provident on 10/1/2005 reflected in data beginning in 4Q '05

Single-Family Residential Portfolio¹

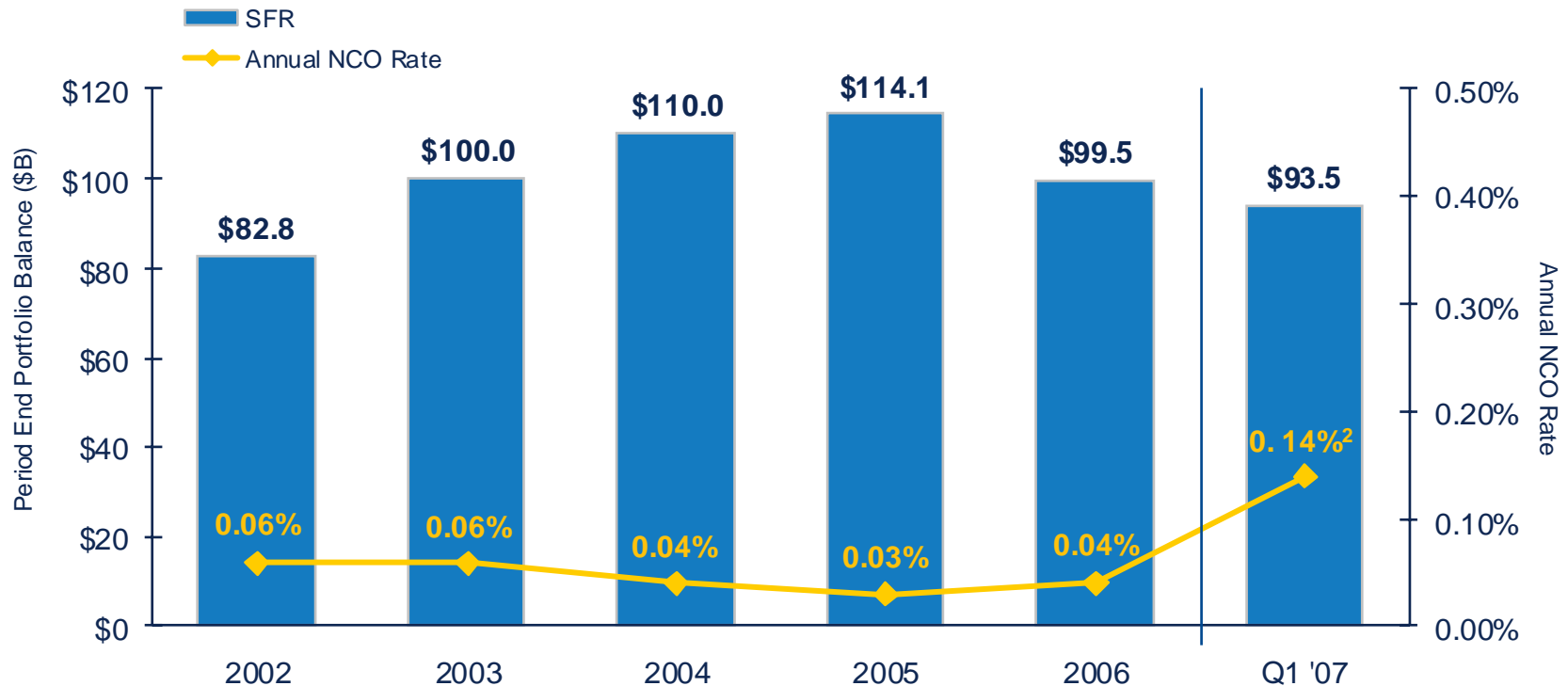
Current FICO = 708

Original LTV = 70%

Est. Current LTV = 56%

Est. Current LTV >90% = 1%

Est. Current LTV >80% = 5%



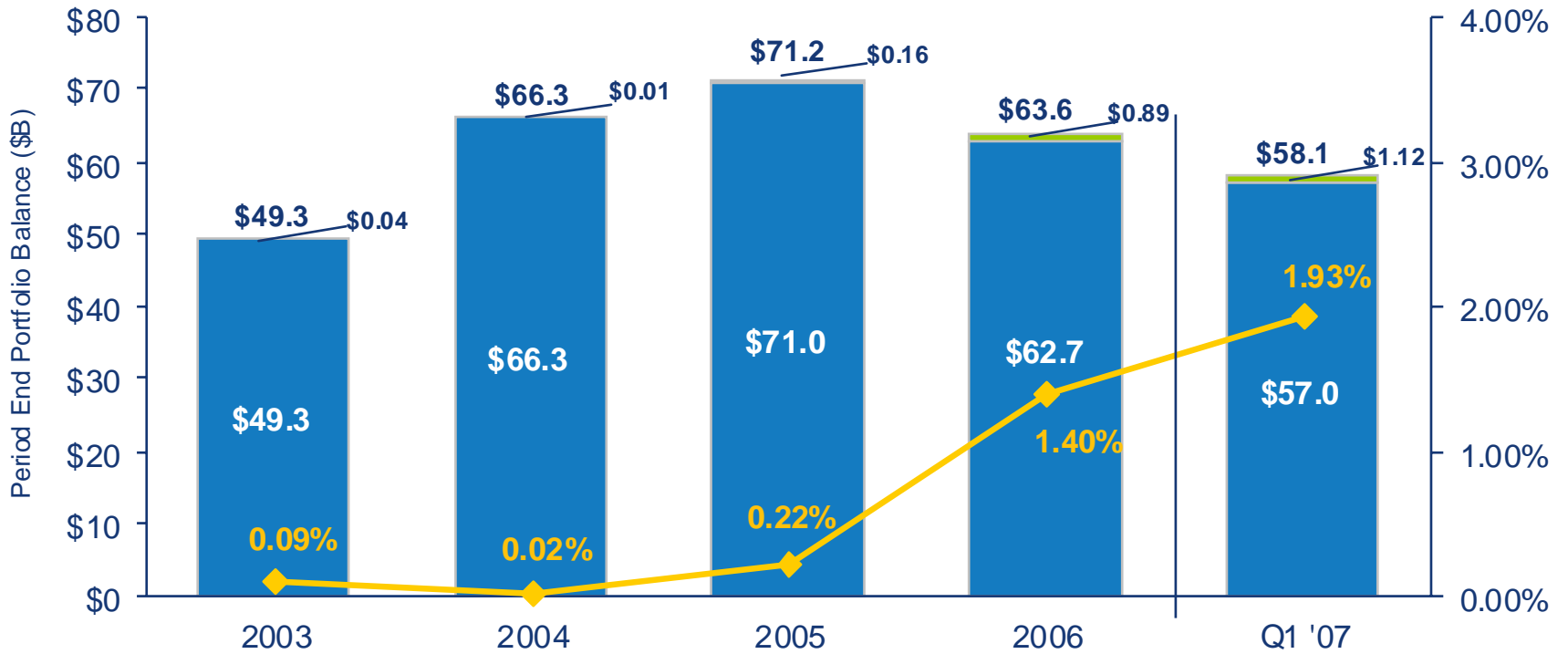
¹ Excludes Custom and Builder Construction.

² Q1 '07 charge-off rate is annualized.

Option ARM Portfolio

Current FICO = 699
Original LTV = 71%
Est. Current LTV = 59%
Est. Current LTV >90% = 1%
Est. Current LTV >80% = 6%

- Amount by which the current principal balance exceeds the original principal balance
- Unpaid Principal Balance
- Negative amortization as a % of the Option ARM portfolio



Option ARM Credit Risk Management

Origination

- Knowledgeable and experienced sales force and distribution channel management
- WaMu controlled underwriting process and borrower disclosures
- Disciplined risk-based pricing

Borrower

- High quality borrower with average FICO of 699
- Qualified using fully-amortizing payments on original principal, not minimum payments
- Payoffs typically occur before loan recast
- Original LTV = 71%
- Sufficient equity exists to refinance, est. current LTV = 59%
- Neg am small relative to outstanding balances

Portfolio

- Good risk-adjusted returns
- Strategic use of Capital Markets

Statistics based on 3/30/07 reported balances

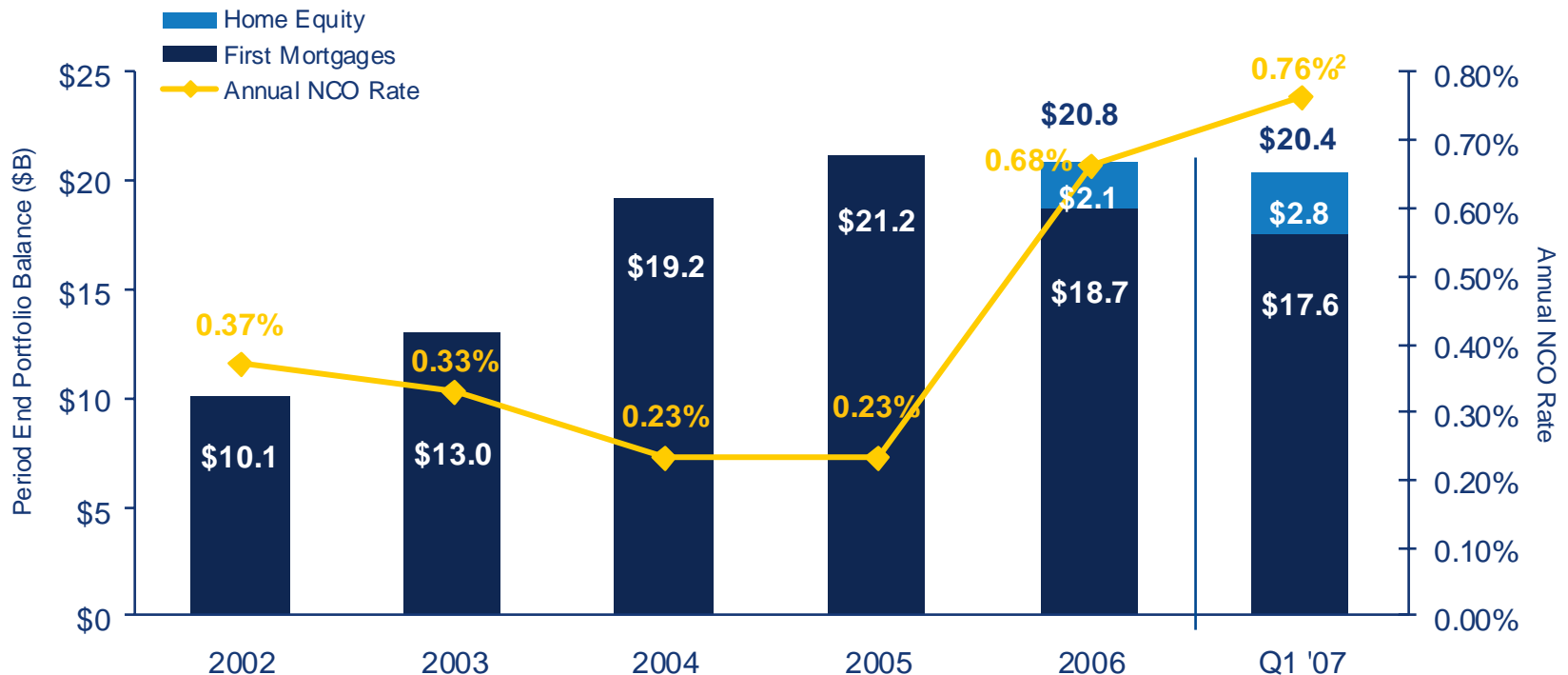
Subprime Mortgage Channel¹

First Mortgages

Current FICO = 620
 Original LTV = 78%
 Est. Current LTV = 66%
 Est. Current LTV >90% = 2%
 Est. Current LTV >80% = 15%

Home Equity

Current FICO = 682
 Original Combined LTV = 93%
 Original Combined LTV >90% = 65%
 Original Combined LTV >80% = 90%

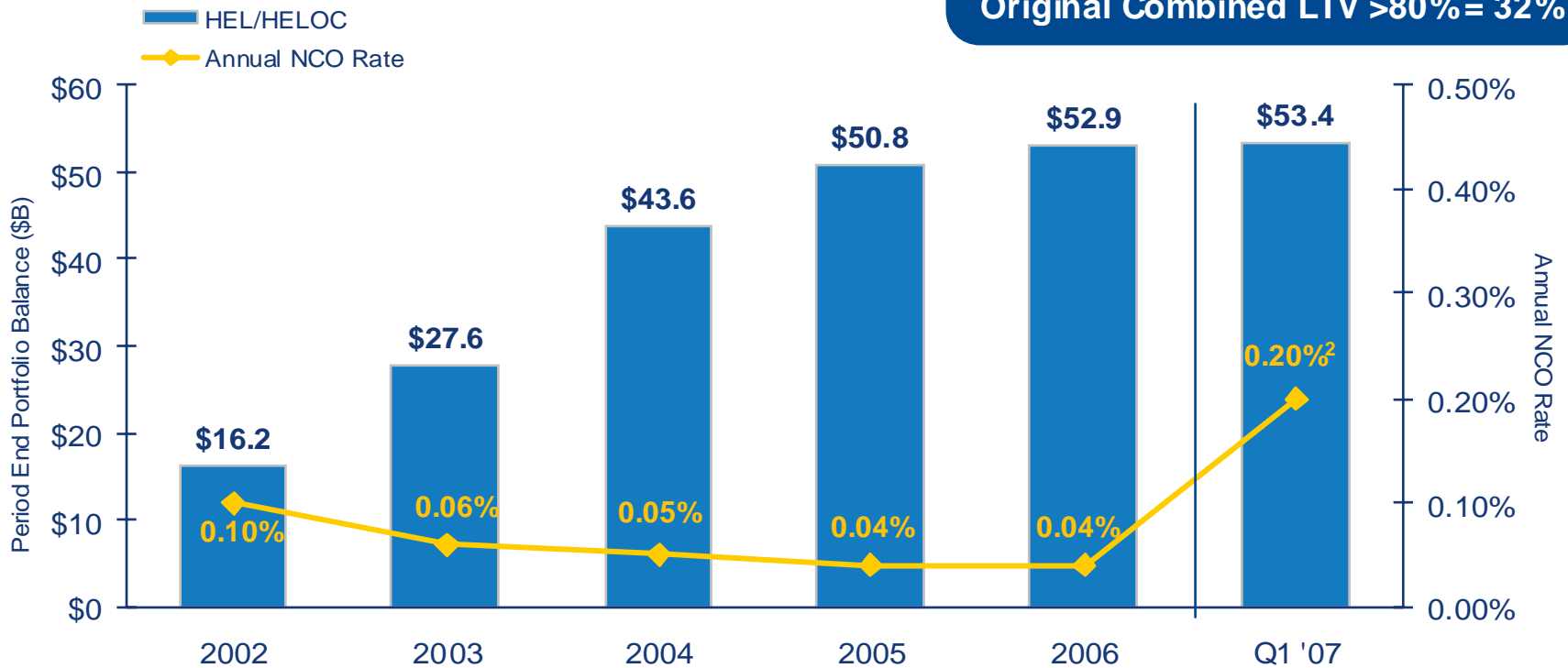


1 Includes mortgage loans purchased from recognized subprime lenders and mortgage loans originated under the Long Beach Mortgage name and held for investment

2 Q1 '07 charge-off rate is annualized.

Home Equity Loan / Home Equity LOC¹

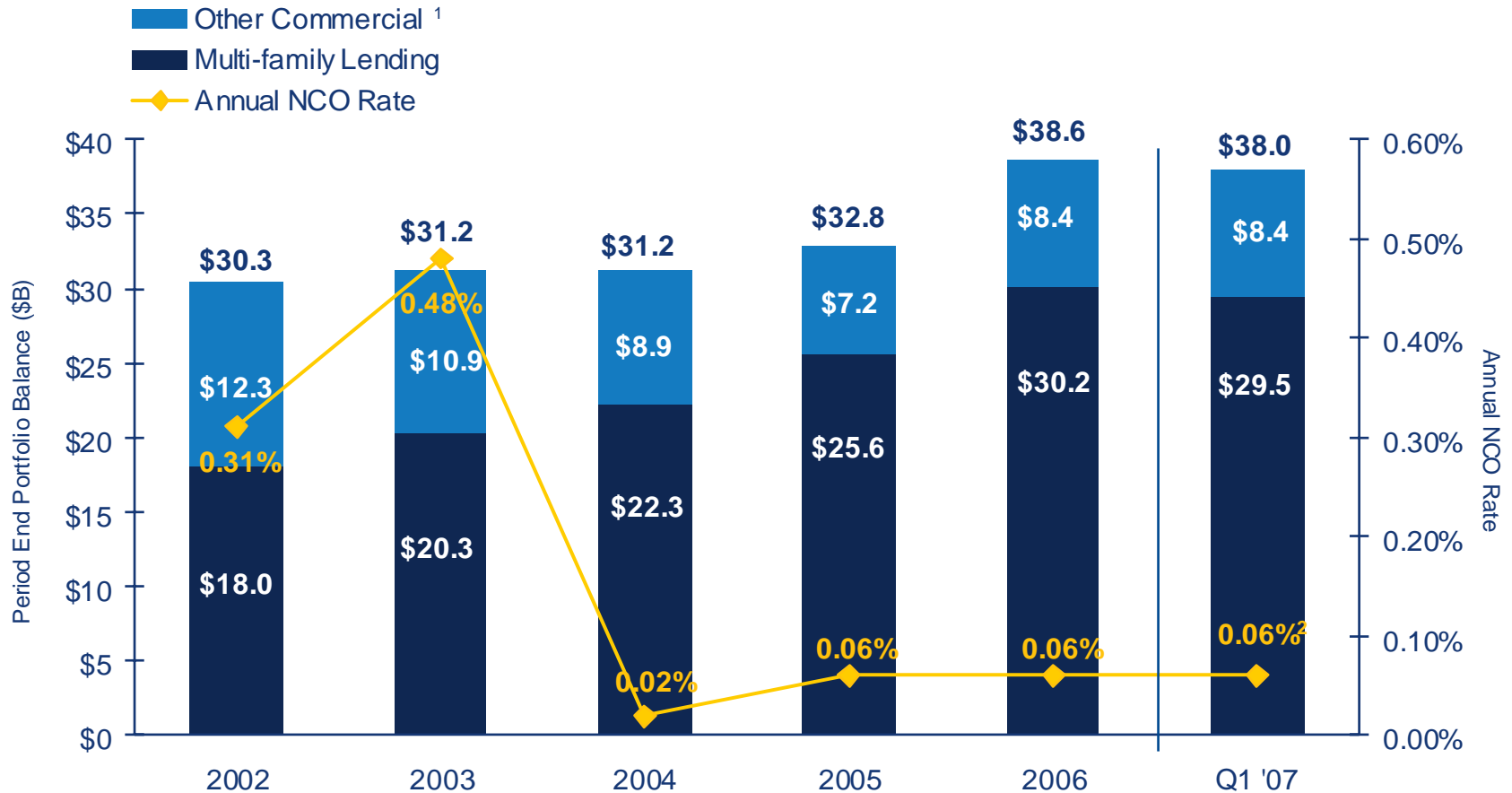
Current FICO = 729
Original Combined LTV = 71%
Original Combined LTV >90% = 2%
Original Combined LTV >80% = 32%



1 Excludes Home Equity loans included in the Subprime Mortgage Channel.

2 Q1 '07 charge-off rate is annualized.

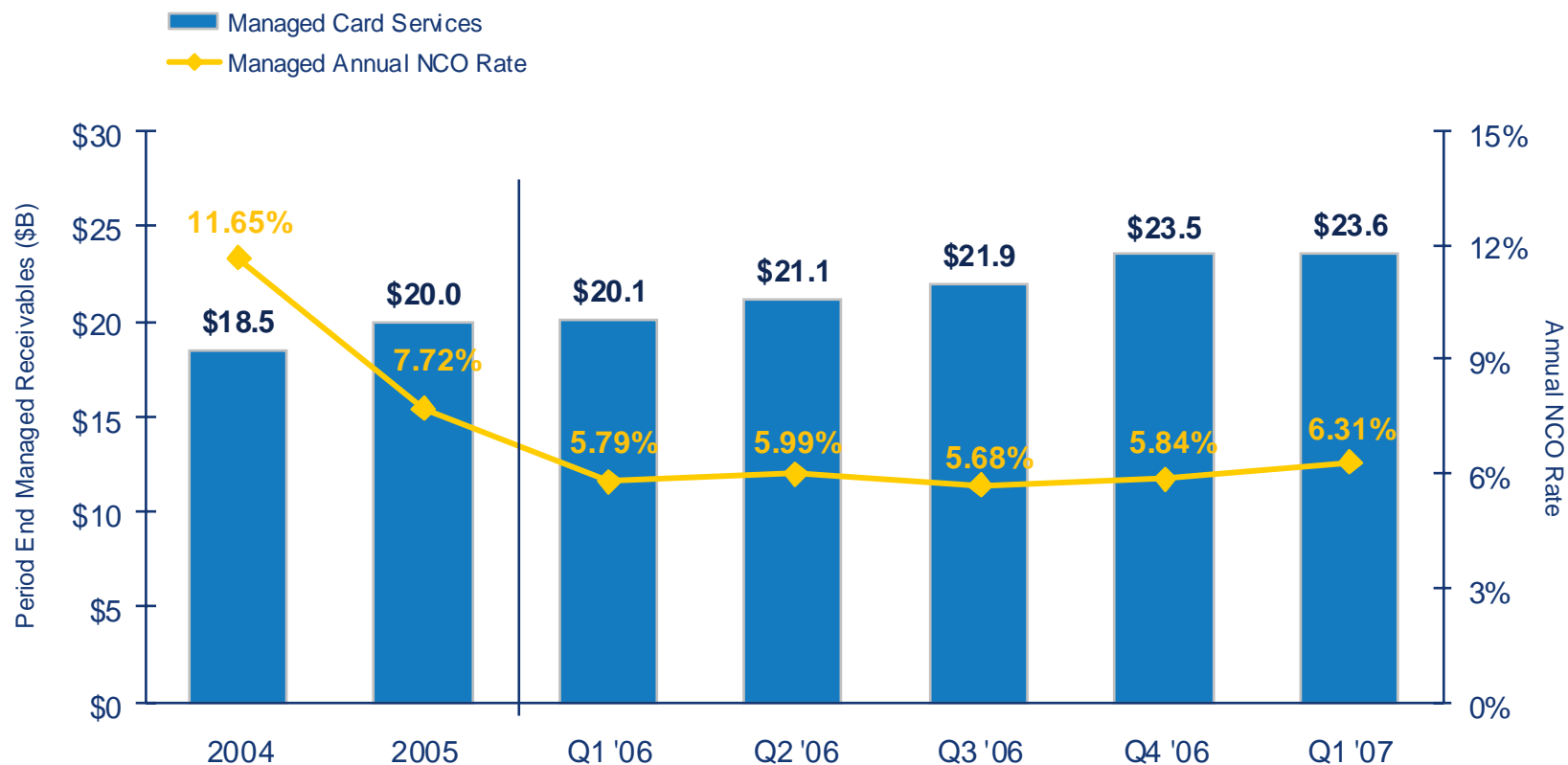
Commercial Portfolio



1 Other Commercial consists of Other Real Estate and Commercial Loans.

2 Q1 '07 charge-off rate is annualized.

Managed Card Services Portfolio



Data presented for periods prior to 4Q '05 is for Providian Financial Corp.

WaMu's Risk Management Well Positioned

- Disciplined credit culture
- Effective capital management and risk diversification
- Analytical rigor and disciplined monitoring infrastructure
- Strong governance and active Board participation
- Proactive credit risk management

WaMu

Treasury

Robert Williams
SVP & Treasurer

Select Accomplishments 2006 – Q1 2007

- Global Retail / Institutional Innovative Tier 1 Capital Transaction (\$2 billion)
- Inaugural FRN Preferred (\$500 million)
- Inaugural € and £ Transactions
- Inaugural U.S. Covered Bond (€4 billion)
 - Euroweek Deal of the Year
- Proactive fixed-income investor relations initiative

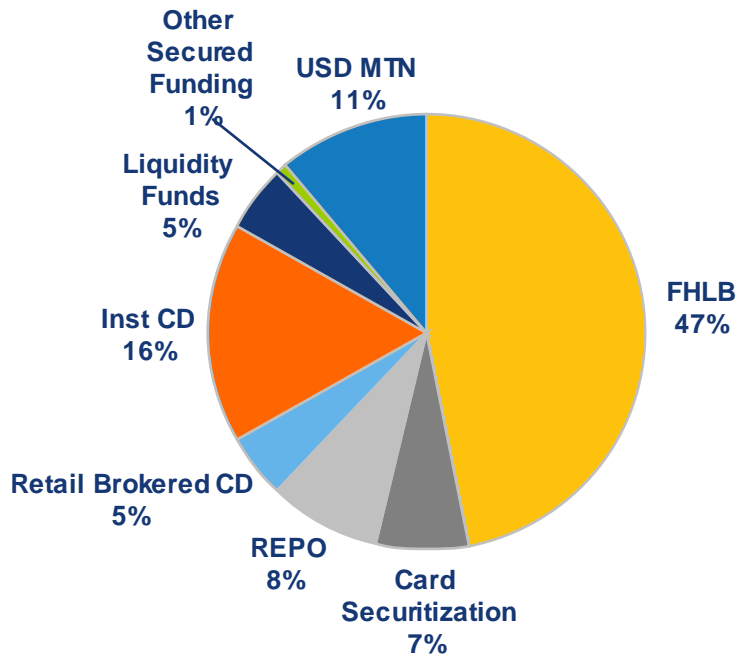
Diversified Funding Sources

Balance Sheet increasingly reflects evolution of WaMu from thrift to diversified financial institution

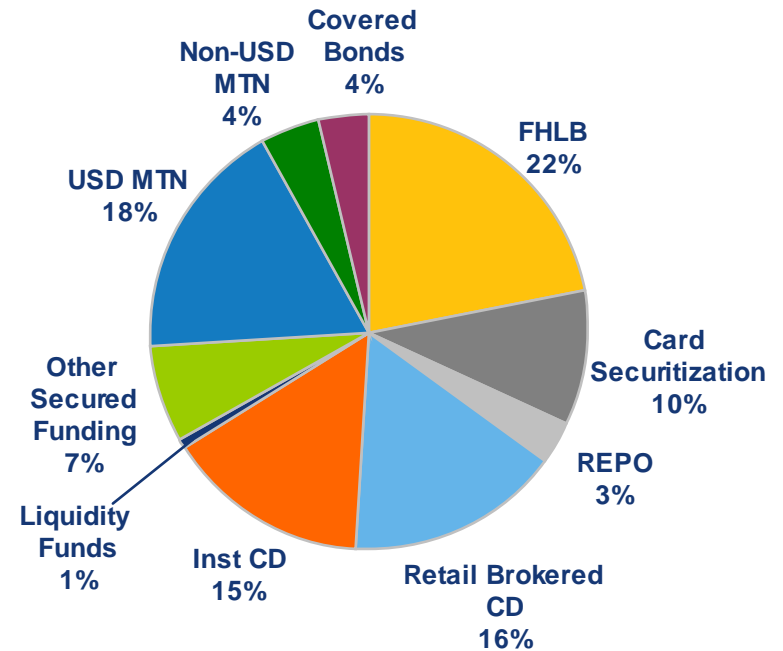
| | <u>3/31/07</u> | | Change % over 12/31/05 |
|--------------------------|--------------------|----------------|-----------------------------------|
| | <i>\$ billions</i> | <i>% Total</i> | |
| Deposits | \$210 | 66% | + 9% |
| FHLB advances | 25 | 8 | - 64% |
| Other secured borrowings | 11 | 3 | - 50% |
| Unsecured borrowings | 39 | 12 | + 66% |
| Other liabilities | 10 | 3 | + 22% |
| Equity | 25 | 8 | - 10% |
| Total | \$320 | 100% | |

Strong & Diversified Liquidity Position

**Wholesale Funding Mix
As of 12/31/05**



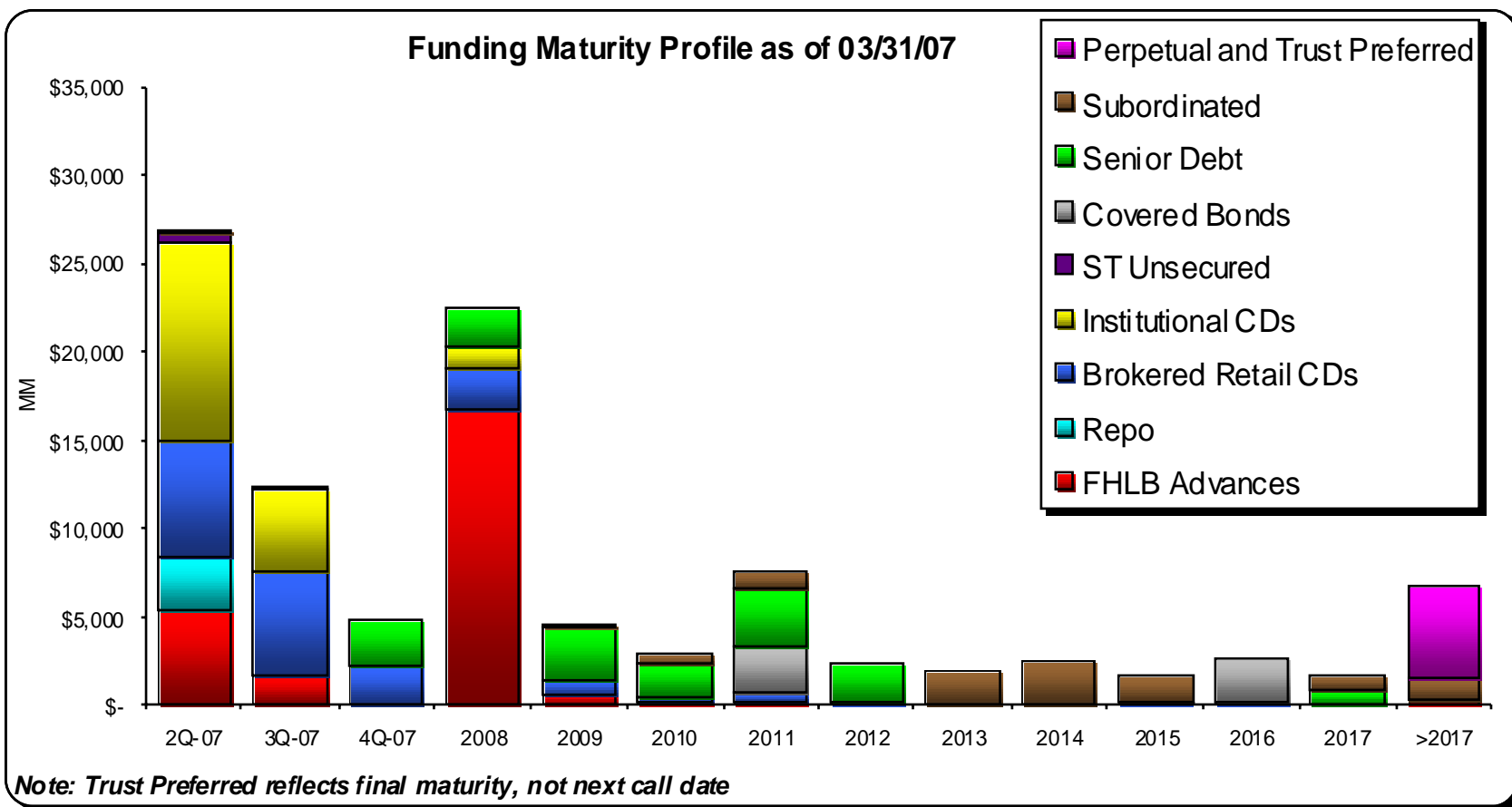
**Wholesale Funding Mix
As of 3/31/07**



Covered bonds indicates Non-USD issuance

Extended Wholesale Maturity Profile

Replace short-term FHLB advances with long-term covered bonds, MTNs, and retail brokered CDs



Covered Bond Program

- First US financial institution to access the covered bond market



**#1 Deal of the Year
&
#1 Covered Bond**

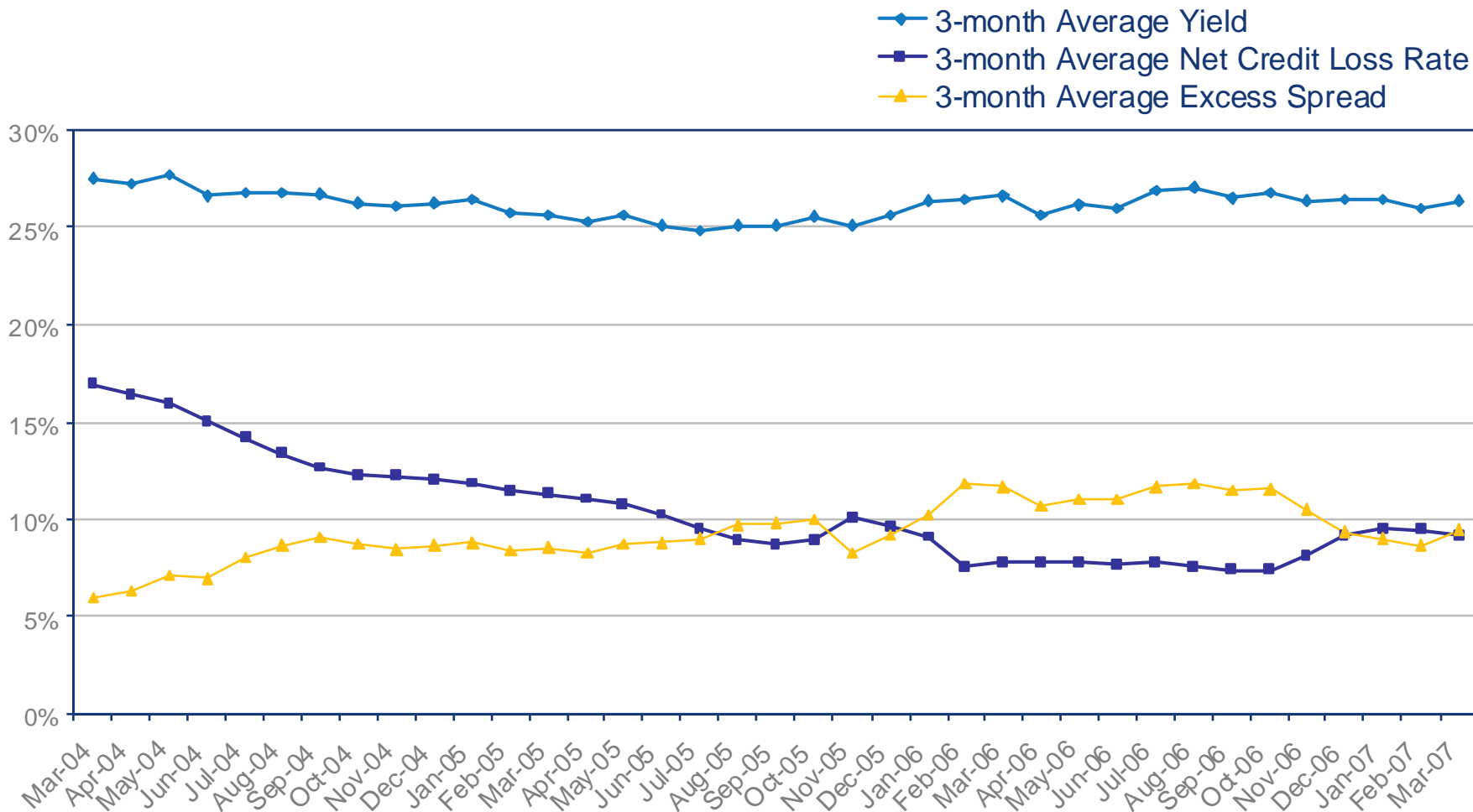
- €20 billion WM Covered Bond Program
 - Launched in September 2006
 - Provides funding diversification, access to a broad liquid market, maturity extension and efficient funding levels
 - Utilizes prime residential mortgage loans from WaMu's balance sheet

Card Securitization Program

- Washington Mutual Master Trust (WMMT) - formerly Providian Gateway Master Trust (PGMT)
 - 2 insured 144A transactions
 - 3 144A senior/sub term transactions
 - 2 conduit variable funding programs
- Washington Mutual Master Note Trust (WMMNT)
 - Delinked program launched in August 2005
 - Collateral certificate issued by WMMT
 - 7 tranches of Class A notes, 3 tranches of Class M notes, 4 tranches of Class B notes, 5 tranches of Class C notes
- \$12.0 billion third party funded amount (as of March 31, 2007)

Washington Mutual Master Trust

Historical Trust Performance



2007 Funding Objectives

- Continue to diversify funding sources
- Maintain disciplined issuance strategy
- Targeting \$4 - \$6 billion in global unsecured MTN debt
- Continue open and frequent dialogue with rating agencies
- Further enhance investor outreach program

Economic Capital Analysis

- WaMu employs economic capital framework for capital adequacy analysis, risk adjusted performance measurement and to support strategic decisions including:
 - \$2.5 billion MSR sale (Q2)
 - Exiting correspondent lending (Q3 2006)
 - \$5 billion investment sales (Q4 2006)
 - \$18 billion loans designated for sale (Q4 2006)
- Business model contributes to low economic capital requirements, especially for credit risk
 - High proportion of collateralized assets
 - Conservative lending standards
- Mandatory advanced Basel II institution and moving beyond Basel II to incorporate the impact of accrual book, other risks
 - Banking book - managed in Treasury
 - Trading book - managed in the business units

More Efficient Capital Management

- **Older, high coupon trust preferreds being called and replaced with more effective capital substitutes**
- **\$3.0 billion in new hybrid securities issued in 2006:**
 - \$2.5 billion of new bank-level capital through Washington Mutual Preferred Funding LLC
 - \$500 million of new holding company capital through new Series K Preferred Share issue
- **Share repurchases have been a more efficient allocation of capital as asset spreads remain tight and credit opportunities limited**
 - \$2.7 billion share repurchase in Q1 2007 driven primarily by \$23 billion balance sheet repositioning
 - Flat to slight balance sheet reduction anticipated for year-over-year 2006-2007

Regulatory Capital Ratios

Washington Mutual Inc.

| | March 31, 2007 | Dec. 31, 2005 |
|---|----------------|---------------|
| Tangible equity ratio | 5.78% | 5.62% |
| Tier 1 capital to average assets¹ | 5.87% | 5.83% |
| Risk based capital ratio¹ | 11.14% | 10.80% |

- Well Capitalized at both Holdco and Bank levels
- The Holdco capital ratios are estimated as if it were regulated as a bank holding company subject to Federal Reserve Board capital requirements.

¹ Ratios are estimates

Regulatory Capital Ratios

Washington Mutual Bank

| | March 31, 2007 ¹ | Dec. 31, 2005 |
|----------------------------------|-----------------------------|---------------|
| Tier 1 Leverage | 6.71% | 6.47% |
| Tier 1 Risk-Based Capital | 7.84% | 8.49% |
| Total Risk-Based Capital | 11.89% | 11.50% |

- Diversified capital instruments to optimize capital structure
 - Tier 1 capital includes common, DRD, WM Preferred Funding and Trust Preferred
 - Sufficient remaining capacity for both Tier 1 and Tier 2 issuances
- Capital optimization effort will continue throughout 2007

¹ Ratios at 3/31/07 are preliminary

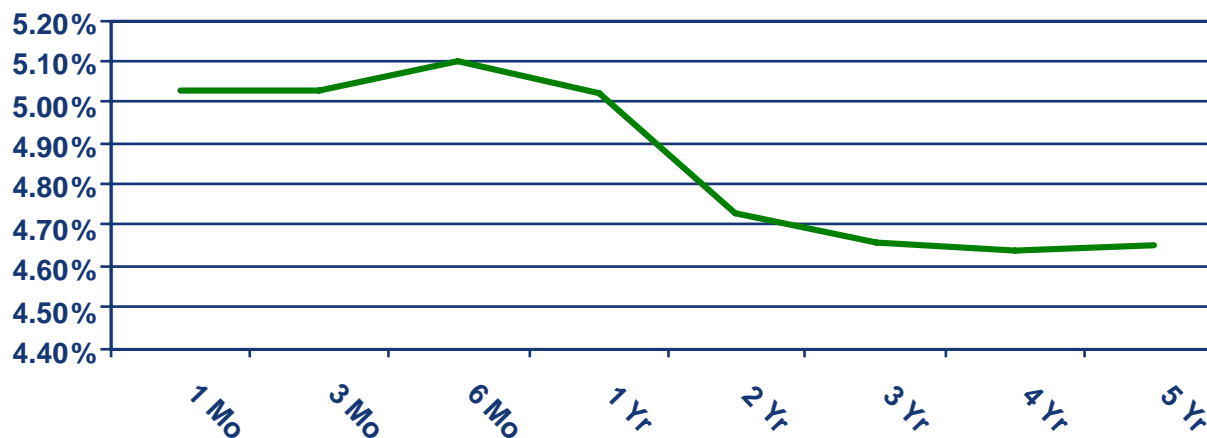
Capital Strategy for 2007 and Beyond

- Continued optimization of WaMu's Tier I capital base
 - 15% funded through WaMu Preferred Funding LLC
 - Opportunistic use of DRD preferred at holding company
 - Mandatory convertibles being examined
- Disciplined issuance strategy will be key
 - Evaluate balance sheet growth
- Prudent management of capital ratios
 - Targeting holding company Tier I Leverage in excess of 5.75%
 - Ongoing dialogue with rating agencies to ensure adequate capital given risk and ratings profile

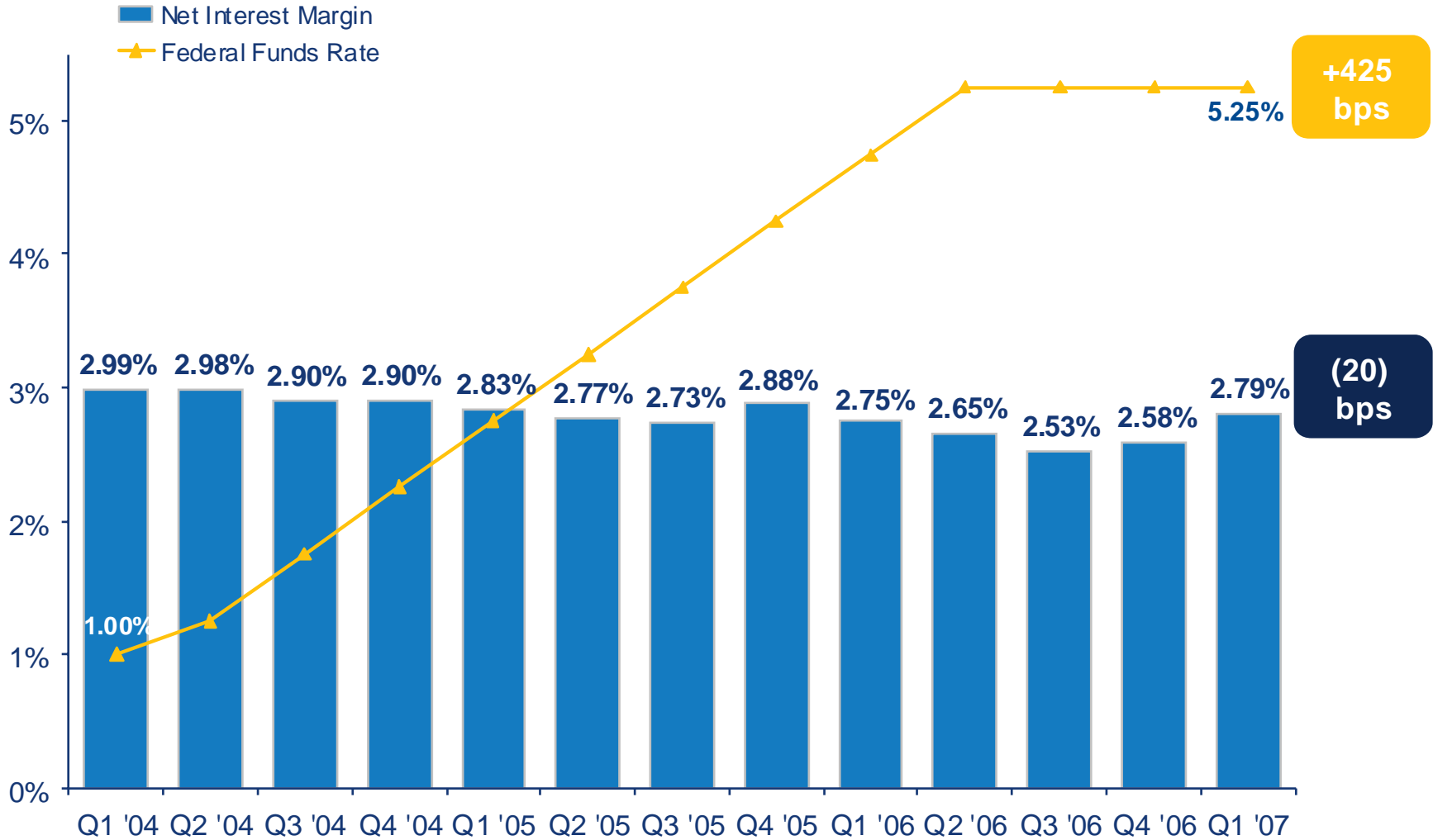
ALM Strategy

- Targeting close to neutral duration position in current, inverted, environment
 - Significantly reduced market risk, NIM volatility should be reduced
 - Continue to evaluate exposure on points on the curve and review opportunities to reduce volatility further

Current Yield Curve
(Govts 4/11/06)



Effective Asset-Liability Management



Proactive Discourse with Rating Agencies

- Quarterly Deep Dive Strategy
 - Brings analysts and business leaders together for in-depth discussions of relevant topics
- Frequent Contact
 - Proactive pre-earnings calls, discussion of significant events
 - Teams in Treasury, IR, and business units able to rapidly respond to questions and issues
- Senior Leadership involvement
 - Chairman and executive leadership participation
- Positive results
 - One notch upgrade from Moody's (March 2007)
 - Positive outlook from S&P (Q1 2006)

Solid Credit Ratings

Based on WaMu's strong deposit base, lending franchise and financial strength

| | Washington Mutual, Inc. | | | | WM Bank | | | |
|---------------------|-------------------------|------|-------|---------|---------|-----|-------|---------|
| | Moody's | S&P | Fitch | DBRS | Moody's | S&P | Fitch | DBRS |
| Senior Unsecured LT | A2 | A- | A | A | A1 | A | A | A (h) |
| Short Term | P2 | A2 | F1 | R-1(I) | P1 | A1 | F1 | R-1 (m) |
| Subordinated | Baa1 | BBB+ | A- | A (I) | A3 | A- | A- | A |
| Deposit | -- | -- | -- | -- | A1 | n/r | A+ | A (h) |
| Preferred Stock | Baa2 | BBB | A- | BBB (h) | n/r | n/r | n/r | n/r |
| Outlook | S | P* | S | S | S | P1 | S | S |

Moody's²

"The challenges on the mortgage business are not a surprise, and we believe the Company is benefiting from its diversification initiatives in retail banking and in its credit card operations. This demonstrates that the bank is capable to generate a respectable if not robust profitability despite the sizable losses in its mortgage operations."

1 On positive outlook

2 Source: Moody's, 1/07

3 Source: Standard and Poor's, 2/16/06

Standard & Poor's³

"The outlook revision reflects the significant improvement in risk management practices within WaMu's mortgage bank operations, in particular the risks of managing a large servicing portfolio."

Key Treasury Takeaways

- Core deposits supplemented by diverse mix of wholesale liabilities
 - Committed to developing covered bonds curve
 - Conservative liquidity management
- Capital optimization efforts have had positive effects
 - Capital position enhanced with hybrid capital instruments
- Prudent economic capital and interest rate risk management
 - Positive dialogue with rating agencies

Summary & Key Takeaways

Tom Casey
Chief Financial Officer

Summary & Focus in 2007

- Earnings are more diversified
- Momentum is building across the franchise
- Focused on driving higher levels of productivity
- Diverse capital structure and funding mix